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(HANSARD)

**Friday, February 11, 1994**

**Speaker: The Honourable Gilbert Parent**

# HOUSE OF COMMONS

Friday, February 11, 1994

The House met at 10 a.m.

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*Prayers*  
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## GOVERNMENT ORDERS

[*English*]

### SUPPLY

ALLOTTED DAY—REPORT OF THE AUDITOR GENERAL

#### **Mr. John Williams (St. Albert) moved:**

That this House call on the government to demonstrate its commitment to accountability and to the efficient and effective use of public funds by reporting to the House, no later than the first week of June each year, what measures have been taken by the government to address unresolved problems identified by the Auditor General in his report such as, but not limited to:

(a) that the Minister of National Defence provide Parliament with an accurate and complete costing of government use of aircraft utilized for Ministerial and other VIP travel, and conduct a comprehensive review of the cost effectiveness of the use of government aircraft to transport VIPs;

(b) that the Minister of Fisheries and Oceans clarify the legislative authority for the Northern Cod Adjustment and Recovery Program and clarify the criteria for those eligible under the program's terms and conditions;

(c) that the Minister for CIDA establish a more accountable and results oriented mode of operation for the bilateral Economic and Social Development Programs;

(d) that the Minister of Finance clarify the wording of the legislation relating to resource allowances in the Income Tax Act to ensure that Parliament's intent is met;

(e) that the Minister of Indian and Northern Affairs address the problems in the Canadian Aboriginal Development Strategy by instituting appropriate performance and evaluation criteria;

(f) that the Minister of the Environment address the duplication of regulations between the federal government and the provincial governments regarding pulp and paper industry and that the Minister improve the department's Regulatory Impact Analysis Statements to provide better information to Parliament on proposed regulations;

(g) that the Minister of Human Resources Development take measures to better control the administration of payments and the collection of overpayments in the

Canada Pension Plan and Old Age Security Programs and that the Minister of Health provide complete information to Parliament regarding the Senior Strategy Program;

(h) that the Minister of Industry implement the government's established accounting policy in order to more accurately reflect the Department's liabilities.

(1005 )

He said: Mr. Speaker, today the Reform Party has put its first supply motion on the books. We are talking this morning about the Auditor General and the role he plays in the governing of the country and the watchdog of our finances.

It is only fitting that the Reform Party use this first supply day to talk about the Auditor General because during the election we placed such a high importance on the management of the funds of the government, that the taxpayers' dollars be spent wisely. The Auditor General is the watchdog on our behalf to oversee and ensure that these things are followed through.

The office was created in 1878. For about 115 years now we have had an office of the Auditor General to look over and watch on behalf of Parliament how the taxpayers' money has been spent. It has done a tremendous job and has saved the taxpayer millions of dollars over these years.

Before I was elected to the House I had an accounting business. I remember I used to tell my clients that as long as we have money to spend and taxes to pay we will always have accountants and auditors. We are going to see the Auditors General around for a long time because we are going to have taxes to pay and money to count.

If I may change the wording of an old phrase, while old soldiers may fade away, Auditors General will be here for as long as we have taxes to pay and money to count.

Back in 1977 the House felt there was a need to widen the role of the Auditor General. Prior to that time he had only counted the money and made sure that the taxpayers' money had been accounted for. We saw at that time there would be a wider role for the Auditor General and this House expanded his authority, not just to attest that the money had been spent and had been

*Supply*

spent legitimately, but that we had given him authority to do compliance auditing.

In the words of the Auditor General, that means whether the government collected or spent the authorized amount of money for the purposes attended by Parliament. That has become a very major part of the Auditor General's report and job, to ensure that the intent of the House is carried through.

We may authorize money to the government to go ahead and spend and after we make that authorization what real supervision do we have to ensure that the money we have allocated to a particular fund meets the criteria that we have set down? That is why we have given the authority to the Auditor General for compliance, to ensure that the money and the civil service go ahead and the government spends that money as we had intended.

One of the other areas that we have given to the Auditor General is called value for money auditing. Again, in the words of the Auditor General, this is whether the programs were run economically and efficiently and whether the government has the means to measure the effectiveness of the programs that have been authorized.

This is a very real role for the Auditor General because we spend \$165 billion in the country that is authorized by the House. We would surely want to know that after that money has been spent we did have value for our money, that the programs we have authorized are doing their job, that the money is being spent effectively and usefully and that what we had intended is being done.

To recap, in 1977 we expanded the role of the Auditor General to ensure that the money is spent in accordance with the law and legitimately as any auditor would do. He also has compliance auditing to ensure that the money is spent in accordance with the wishes of the House and that the money is spent effectively to ensure that the programs are managed on our behalf, on behalf of this House, to provide the benefits that we envisage for Canadians.

(1010)

The Auditor General is a servant of Parliament. He is not a minister; he is not a department. He is our servant. He is our watchdog. He is our hands, our eyes and our ears out there to ensure that the money we allocate and appropriate every year is followed through and he reports back to us. On January 19 this year his report was tabled in the House.

He works through the public accounts committee and that is how the House ensures and follows through to examine the areas he has brought to our attention that perhaps require investigation by the House. That is how yesterday when we had our first meeting we elected a chairman who is a member of the opposition. We have government members on the committee and we have five members of the opposition as well. That is how the House monitors the expenditures as approved by the House.

As servants of the House we should always do what we can to encourage and assist the Auditor General in performing his role. We have seen in the past that there have been some recommendations by the public accounts committee to make changes to the Auditor General Act. There is currently a private member's bill on the floor introduced by the hon. member for Ottawa—Vanier that would allow the Auditor General to report more than once a year.

We have constrained him to make only one report which is a huge report. Perhaps the House may want to consider supporting the legislation that would allow the Auditor General to report to the House as he feels appropriate.

Therefore I can only recommend at any time and at any opportunity I have the importance of supporting our servants of whom the Auditor General is one.

I would be remiss if I did not mention at this time that we recognize the civil service, the tens of thousands of people across the country who provide a valuable service to this land by performing their jobs efficiently, doing the will of the House and providing the programs that Canadians want and deserve. There are tens of thousands we do not hear about who go on working anonymously. I would like to pay tribute this morning to the contributions they have made to our society.

There are one or two things that the Auditor General would like to bring to our attention that are included in his report. When we look at the Auditor General's report we should remember that our style of government is not only a representative government but an accountable government. That is why we call the ministers and the government to question on matters raised by our servant, the Auditor General, and that is why we are having this debate this morning.

I understand this is the third time in Canada's history that we have had a formal and realistic debate in the House regarding the Auditor General and his report. I can give notice to hon. members on the other side that they will not have to wait so long before we have a fourth debate because the Auditor General has to be given the responsibility and the recognition for what he can do to resolve the problems that we have in ensuring that our money and funds are managed properly.

We will be talking throughout the day on various aspects of the Auditor General's report. I would like to look at one particular chapter concerning travel by government ministers on government aircraft. The horrendous cost of one trip in many cases is more than the annual salary of a taxpayer.

The Auditor General has questioned the costs of such items and we have been able to have the government take notice of the costs of these things and change the policy regarding the use of government aircraft, that they are not just there for jetting off here and there at any time. The role of the Auditor General has to be reinforced. That is a perfect example of how Canadian taxpayers' money has been saved through the highlighting of the actual costs of these trips. Now that we have brought that to

the attention of the government it has decided that perhaps commercial travel would be more appropriate in many cases.

(1015)

I mentioned also that the Auditor General has a role regarding compliance auditing. Does the money spent by the government fit the authority given by the House? There was \$587 million spent on the northern cod adjustment and recovery program that the Auditor General said was spent without clear legislative authority.

I do not dispute that the people in Newfoundland need some money and that we authorized a program to try to help them, but the government should remember that it does not have clear legislative authority to conduct that program, according to the Auditor General, and it should be coming back to the House to get that matter clarified before it continues any further. That is also the role of the Auditor General, to tell us in the House that we are the supreme body that approves these funds. When \$587 million of taxpayers' money has been spent without the authorization of the House then perhaps the government should think clearly about coming back here and determining the will of the House in order that it may continue to provide that program.

What about CIDA, the Canadian International Development Agency? The Auditor General had some fairly harsh words about CIDA. That is a program that spends our money in developing nations where we recognize that we have a role around the world as one of the developed nations to help our fellow man. CIDA spends well over a billion dollars in this area to help those in need but unfortunately in many cases, as the Auditor General points out, we are turning some developed nations into another welfare program where we continue to pay money but we are not helping them to get up and at it. We are not helping them to improve their situation. We are just paying money to keep them in the style of destitution that they currently have.

We have to look at many areas of CIDA and the House has to ensure that it fulfils the mandate that we have given to CIDA.

I would like to quote one item of the Auditor General's report in chapter 12.57 which states: "Until recently CIDA did not fully acknowledge its accountability to Parliament for managing". It did not fully acknowledge its responsibility to Parliament.

The House has to recognize that we are the supreme body that approves the money in this country. Every agency, every department and everyone in government has to recognize that we in the House authorize the funds and that CIDA is accountable to the House. That is why the Auditor General fulfils a tremendous role in ensuring that we are aware of what is happening in these departments. CIDA may get carried away with what it feels is the appropriate direction to go. The Auditor General points that out to us. We should say to these departments: "Wait a minute,

### *Supply*

we call the shots around here. You listen to what we say and you recognize that the House has the final and full authority to say what goes on".

What about the resource allowance income tax provisions? There was \$636 million of unintended tax refunds to the resource sector and another \$538 million was given out as potential refunds of income tax while the department tried to prove a particular point. The government could have changed this tax loophole several years ago but it thought there was a point that it had to prove. It has cost the Canadian taxpayers \$538 million to prove that particular point. I would hope that the Minister of Finance can justify to us that there must have been a very major point that the Department of Finance was trying to prove to cost the Canadian taxpayer that kind of money.

Canadian aboriginal development program strategy; \$900 million spent by three departments over five years. The Auditor General said that after we had spent \$900 million, three departments could not demonstrate that the program was meeting its objectives. We spent \$900 million, almost \$1 billion, and we are not even sure that we have accomplished what we set out to do.

(1020)

That is the type of thing that the Auditor General should and does bring to our attention. That is the type of thing that the public accounts committee would want to know from the Department of Indian and Northern Affairs. How on earth can we spend \$1 billion without knowing which road we are even trying to go down?

I hope in future years that various ministers will be able to come back to us and point out that corrective measures have been taken and that from now on Canadian taxpayers will be getting real value for their money, that programs that are approved are working before we spend \$900 million.

On the Canada pension plan and old age security, \$120 million to \$220 million is lost every year through overpayments due to inadequate control. That is a lot of inadequate control to cost us \$120 million to \$220 million. I would suggest the government take a serious look at that and answer to the Canadian taxpayer where this money is going. Why are we losing this kind of money? That \$220 million would go a long way to doing something about the budget deficit.

I know we have a budget deficit of around \$45 billion. Harold Hunt, the Texas billionaire, once said that a billion dollars ain't what it used to be, but we have to start somewhere. If we can identify an area where we can save through proper controls on \$220 million, that would be an excellent start.

One of the great chapters in the Auditor General's report is chapter 5 which deals with the debt and the deficit. I know that the Auditor General does not have the authority to say exactly what he feels about the deficit. He feels that he has a role to play

*Supply*

and he has pointed out quite specifically in chapter 5 that the House has a responsibility to communicate to Canadians how serious the matter is and how corrective action should be taken and taken soon. I would encourage everyone in the House to read chapter 5. He is saying we should communicate simply and effectively to Canadians how seriously we are in debt and how difficult it is going to be for us to get out of that debt.

I ask the Minister of Finance to take note of that. There is no reason, when he brings his budget down in the next couple or three weeks, why he cannot tell Canadians, as the Auditor General has so clearly pointed out, that it is time we communicated simply and clearly to Canadians what the problem is, how big it is and how seriously it has to be addressed.

In conclusion, we have put this motion forward, which is a serious motion, for debate today asking that the government respond to the Auditor General's report in six months. This is the type of amendment to legislation I think the House will want to consider, giving the Auditor General the authority to require the government to respond to the Auditor General's report. That is why during the course of this debate I would like to see the government take a serious approach to what is contained in the Auditor General's report, that we treat it seriously and look at it as a mechanism to come back, address and recognize the importance of handling our money well for the benefit of all Canadians.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I would like to congratulate the hon. member for St. Albert on this motion, because first of all, it contains some items that are of particular interest to me, since I chaired the Public Accounts Committee for three years during the last Parliament. I would like to start by informing the hon. member that during the 35th Parliament, the Public Accounts Committee tabled 14 reports in this House, and these reports concerned the same recommendations the hon. member has included in his motion today.

(1025)

None of the reports were concurred in by the House. I may add that the problem is not the Public Accounts Committee or the government but this House, this particular forum. We will have to start paying attention to what is being done in committee and follow up on the recommendations made by members in committee.

Perhaps I seem a bit frustrated about this lack of action by the House. I do not blame the government of the time. I simply blame my colleagues and myself for not finding the time to

examine the recommendations made by the Public Accounts Committee during this 35th Parliament.

Today, a few weeks after we started our new session, I see this motion as a very positive initiative to increase transparency in Parliament. Again, I want to congratulate the hon. member for moving this motion.

Last year, there was a recommendation for setting aside a certain number of days in the House every year, to examine the reports of the Public Accounts Committee. I would like to ask the hon. member whether he and his party are prepared to set aside or allot, as is the case today, certain days to examine the reports of the Public Accounts Committee, so that Canadians will have a better idea of how we deal with the government's problems, and also to ensure that the system works effectively. I think that is the point the hon. member wanted to make. He mentioned effectiveness and that the Auditor General of Canada should, in addition to preparing special reports, examine the ability of departments and the government to be effective in the way they spend funds. We could pass Bill C-207, which I tabled in this House, and whose purpose is in fact—and if I understood the hon. member correctly, he supports this recommendation—to allow the Auditor General of Canada to table more than one report annually.

Would the hon. member also agree that when there is a report from the Public Accounts Committee on a subject as important as public spending, we should set aside a day for consideration of the report and decide, as members, on the follow-up to this serious work done by the Committee?

[*English*]

**Mr. Williams:** Mr. Speaker, my hon. colleague has made tremendous recommendations.

I started my speech by saying that this is only the third time in the history of the House that we have had a serious debate on the Auditor General's report. I would certainly encourage and support any action that can be taken by the government that the debate of the Auditor General's report be given much more serious attention and become a standard part of the calendar of the House.

**Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, I want to say a few things very briefly.

First, I want to congratulate the hon. member for St. Albert on his excellent presentation. I will be somewhat less warm in my congratulatory note in a few moments but I certainly welcome this.

As a member of Parliament, I believe the Canadian public is quite happy to see this kind of debate go on in the House. I for one am very interested and enthusiastic to take part in it.

I want to pay respect to my hon. colleague from Ottawa—Vanier who for a few years did an outstanding job in chairing the

*Supply*

public accounts committee. I had the fortune to sit in on some of the meetings that he chaired on issues that were pertinent to my riding, particularly unemployment insurance and training programs.

I have to congratulate him for his enthusiasm and determination in pursuing the kind of issues that we see today. I think the House should be grateful for the kind of activity that he and his committee were responsible for.

(1030)

I want to clarify a point. I note the member for St. Albert spoke about the necessity to clarify legislation in support of the northern cod adjustment and recovery program. I do not have any argument with that. We do need to have the proper legislation and as a parliamentarian I would not argue with it. However I want to make it clear that this in no way should impede the discussions now taking place on a follow on recovery program for those people in dire need because of the total extinction of their cod stocks.

There are numerous committees in my riding. These people are not just sitting back expecting money to be given to them. There are 40 "Improving your Odds" committees in my riding. Anywhere from 20 to 40 fisherpersons and plant workers are studying among other things what can be done to improve their communities. Some will be on NCARP and others will not.

I want to make it clear that apart from the need for legislation there will be a necessity to accept that the discussion for a follow on program beyond May 15 should not in any way be impeded by the need for the House to clarify the legislation.

**Mr. Williams:** Mr. Speaker, I confirm to my hon. colleague again we recognize there is a problem and it has to be dealt with as far as the dearth or extinction of the fish in the Atlantic and the Grand Banks and the need for Canadians to help the fishermen there is concerned.

I just want to point out there has to be clarity in the role. The House has set forth a specific direction within the legislation that perhaps was not clear. The Auditor General has picked that up. As our servant he is telling the House that we should revisit that and ensure our instructions to the government are crystal clear and the government can then follow through.

I do not in any way whatsoever dispute the need to help the fishermen in Newfoundland and other areas which have been hard hit by the extinction of the fish stocks.

**The Deputy Speaker:** Unfortunately the time has expired. Is there unanimous consent to continue with questions and comments?

**Some hon. members:** Agreed.

*[Translation]*

**Mr. Maurice Bernier (Mégantic—Compton—Stanstead):** Mr. Speaker, I would like, first of all, to congratulate my colleague, the hon. member for St. Albert, for the motion he put forward to the House. It will certainly generate a good debate. It is quite appropriate to review government spending as a whole. Everyone will agree with that. Year after year, the Auditor General tables reports that raise disturbing matters about public spending.

This motion is pretty much in line with what we discussed yesterday during debate on the motion of the Official Opposition. Several of my colleagues in the Official Opposition asked for a House committee to be established in order to review all government spending, item by item. We were told, in particular by our colleagues on the government side, that such a committee already existed, the Public Accounts Committee, and was responsible for such reviews of government spending. I believe the comment by the hon. member for Ottawa—Vanier shows the need for a committee mandated by the House of Commons. I hope this would make the House more responsive to its recommendations and more likely to follow up on them.

I will conclude this comment by referring to the speech of the hon. member for St. Albert—I had to go out for a few seconds and I may have missed a short part—because I did not hear him talk about the duplications mentioned in the motion. This aspect, and I will conclude on that, Mr. Speaker, is a great concern for Quebec in particular, but also for the whole of Canada, because the costs are estimated to be in the billions of dollars. I would like to have the opinion of the hon. member for St. Albert, as well as other Reform members, on this issue of duplication of services.

(1035)

*[English]*

**Mr. Williams:** Mr. Speaker, I think we actually talked that motion to death yesterday. Therefore we should pertain to other matters contained in the Auditor General's report.

*[Translation]*

**Mr. Benoît Serré (Timiskaming—French River):** Mr. Speaker, I too would like to congratulate the hon. member for St. Albert and go back to a particular point that he raised in his comments about CIDA.

First of all, I would like to point out that I agree with the foreign aid policies of the Canadian government. I think that it is the tradition in Canada to assist those countries which are less fortunate.

*[English]*

However I agree with the member for St. Albert that there are better ways of using foreign aid. We are sending hundreds of millions of dollars to foreign countries with no accountability

*Supply*

whatsoever. There is no follow up. We do not know where this money is going. Often I believe it is going to buy a limousine for some local politician. I have an idea of how we can better use that money. I would like the advice of the member for St. Albert on it to see if he agrees with me.

We are spending hundreds of millions of dollars helping agriculture in Russia and the east bloc countries. Many of Canada's institutions are not being used. In Timiskaming—French River there is the New Liskeard College of Agricultural Technology. The provincial government is closing it in May. We have state of the art facilities there. We have the academics and the infrastructure.

Instead of sending millions of dollars to foreign countries why not use some of that foreign aid money to bring people to Canada and make use of our facilities by teaching them new skills. They could then return to their countries with new skills and technology.

We would accomplish two things. We would pursue the aims and objectives of helping those nations feed themselves and it would improve our exports because we could sell new technologies and skills to those countries.

**Mr. Williams:** I appreciate the comments made by the hon. member. These types of things can be brought out in a debate such as we are having today on the Auditor General's report.

There are many ways to skin a cat and the member has put forth a positive and sincere suggestion. If the debate continues this way for the rest of the day we will come away from here with some serious proposals and suggestions to ensure that our taxpayers' dollars are spent wisely and effectively and that we get the best bang for our buck. That is what we want to ensure every time, at all times.

On a point of order, Mr. Speaker, on behalf of the Reform Party I would like to advise the House that pursuant to Standing Order 43(2) from now on our speakers on this motion will be dividing their time.

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure):** Mr. Speaker, I rise for a second day to speak to the report of the Auditor General and the initiatives the government is taking to deal with many of the concerns he raises.

I must say there is a lot of community of thought on this, both in the remarks made yesterday by the hon. members of the Bloc Quebecois and in the remarks made today by the hon. member for St. Albert on behalf of the Reform Party. We all want to address these issues of how the taxpayers' money can be spent most efficiently and effectively and how we can cut down on the problems that the Auditor General raises so that in future years we will have a lot less of what are known as horror stories and a lot more success stories. There is a lot of common ground on what we want to try and achieve. There may be some differ-

ences, both yesterday and again today, on just how we go about achieving it.

Certainly I came to Ottawa with an understanding and appreciation of the role of an auditor. I spent 22 years in municipal government and worked with an auditor to ensure the frugality, efficiency and effectiveness, cutting overlap and duplication and all of these necessities.

(1040)

One of the first things I wanted to do when I came here was to meet with the Auditor General. I have done that on a couple of occasions. I have discussed his report. I intend to meet with him regularly because his work is important to us. His many recommendations are ones I very substantially agree with and the government would like to have them implemented.

The hon. member for St. Albert raises many specific issues today in his motion and various speakers will follow me addressing each one of those points. I want to get back to what I said yesterday for a moment. I suggest the vehicle for dealing with the concerns raised yesterday and again today is the public accounts committee.

I understand the public accounts committee is up and operating. The hon. member for La Prairie who was here a few moments ago but unfortunately has departed has become the chairman.

**The Deputy Speaker:** Order, please. Perhaps the hon. member will take his seat. The hon. member may not realize but we do not comment on the absence of a member from the House. That is strictly unparliamentary.

**Mr. Eggleton:** Mr. Speaker, I am sorry. I was attempting to make a complimentary remark. I will certainly bear that rule in mind.

The public accounts committee is the committee to deal with these issues. To suggest a motion such as is put forward which provides for a very tight timeframe for the committee to be able to do its work could be unproductive for what the members want to accomplish.

The public accounts committee can start dealing with each one of these issues contained in the motion or any other aspect of the Auditor General's report. I do not know whether it will accomplish all that by the first week of June. I can say the government has already dealt with some of these issues and will continue to deal with them. It is not going to wait until the first week of June to deal with them or even to report on what it is doing with respect to many of them.

The public accounts committee has every opportunity to bring ministers before it and to have a full hearing on each one of those matters. That is within its control. I hope it will be within the control of members of Parliament. After all we said we wanted

more involvement by members of Parliament in such processes as the Auditor General's report.

That is the approach to be taken. That is where the follow up can take place, in the public accounts committee. The government is going to follow up. Of course the Auditor General in his annual report has a section on follow up and deals with what the government has done in respect of his previous recommendations.

I am suggesting the hon. member's motion is already covered by process and procedure that is quite extensive in getting to the issues and dealing with and rectifying the problems. That is the appropriate route to go as opposed to this additional suggestion the member makes today.

It is important to reiterate that the Auditor General in his report has talked about the need for strengthening internal audit, program evaluation and strengthening controllership. Those are very important to the government.

The red book has talked about the need to understand the consequences or the outcomes of our programs and the need to understand what value we are getting for the taxpayers' dollar. That can be achieved better than it has been through strengthening the internal audit and through strengthening program evaluation functions.

I reported yesterday in my remarks that we had already moved in a number of areas to address the issues the Auditor General has raised. We have streamlined the cabinet making it smaller. We have cut cabinet expenses. The cutting of some of the expenses of Parliament has been dealt with. We should open up the budget process, open up debate on different issues before the government takes a position. We have stopped the deal of the previous government with respect to Pearson airport. The question of selling the airbus was one of the issues raised by the hon. member for St. Albert today concerning government aircraft. The rules have been tightened in the use of government aircraft. It is the last resort. The first resort is to take commercial aircraft. Where a government aircraft is to be used it must be fully justified to the satisfaction of the Minister of National Defence. It must be with complete cost accounting and complete reporting. These are tightening up of procedures that both the Minister of National Defence and the President of the Treasury Board have instituted to respond to the kind of concerns raised. This matter will be addressed further by another spokesman on behalf of the government.

(1045)

The government is also strengthening controllership. The Auditor General expressed a concern that the previous government had put the office of the Comptroller General under Treasury Board so that the Secretary of the Treasury Board is now in effect carrying on those functions previously carried on

### *Supply*

by the comptroller. It is a function to which he is deeply committed, as am I.

We recently sponsored a government conference on the question of controllership with many participants from the financial and audit communities, as well as government employees, to focus on the kind of skills and energies that we wanted to direct into the area of better controllership, internal auditing and evaluation programs for the very reasons that he outlines. There is that firm commitment and will to strengthen the controllership function of government.

Improvements are being made in the regulatory process of government. It is something that we have to be most cognizant of because of the kind of impact that regulations can have on business and on the economy in general, as well as the quality of life of all Canadians. Indeed regulatory reform is a very important part of the government's endeavours.

Yesterday I reported on the business impact test which the Canadian Manufacturers Association and the Treasury Board helped to launch as a means of understanding the impact we have on businesses with the different regulations that we put in place. In this way we can minimize the detrimental impact, whenever it is, to their operations which in turn makes it detrimental to the growth in the economy of the country.

I mentioned the follow up chapter, a key part of the Auditor General's annual report, and one that I expect will show next year a substantial amount of progress on many of the issues that we have talked about today.

In closing, I would like to note that the government is committed to demonstrating improved management through the public accounts committee, through the Auditor General follow up, through our own follow up in Treasury Board and the various other government departments. We are committed to delivering quality, efficient and effective services to the people. In that respect, we have a lot in common with people on both sides of the House.

The procedures are in place to be able to deal with this. If further procedures are needed then let the public accounts committee come forward with suggestions that might be helpful for the House to deal with the business of the Auditor General's report.

**Mr. John Williams (St. Albert):** Mr. Speaker, I appreciate the comments by my hon. colleague in recognizing that the Auditor General's report is working and that action has been taken on these particular reports. He also acknowledged that the report now in front of us has caused a change in policy in the use of government aircraft. While he said many things and defended the current system of government response to the Auditor General's report one of his colleagues, the member for Ottawa—Vanier, proposed earlier that perhaps the Auditor General's



*Supply*

report should be tabled and discussed in the House on an annual basis, or perhaps certain days should be set aside.

(1050)

Does the President of the Treasury Board agree with his colleague from Ottawa—Vanier it would be a good idea that specific days be set aside to debate the Auditor General's report on an annual basis?

**Mr. Eggleton:** Mr. Speaker, I very much respect the opinions presented by the hon. member for Ottawa—Vanier who, as has been pointed out, has a long and distinguished career in this House and also a quite distinguished career in serving as chair of the public accounts committee.

Certainly I value his counsel and will be seeking it with respect to this and many other issues that are relevant to the committee and relevant to dealing with the Auditor General's report.

[*Translation*]

**Mr. Eugène Bellemare (Carleton—Gloucester):** Mr. Speaker, I would like to congratulate the President of the Treasury Board for the list he just gave us of projects the Liberal government has launched since last October 26. What he told the Reform Party member for St. Albert is that the government of the present Prime Minister is setting the pace, that we will be doing things the correct and honest way.

The accountability of the Liberal government will soon be recognized as an example showing that our government knows how to make fair and reasonable cuts and knows also how to govern in a honest and proper fashion. The minister set the tone, gave us examples like the Toronto airport and the helicopter project which represented considerable waste.

While I am on that subject, let me say that I was a member of the public accounts committee for five years under the Tory government and I think our chairman, the member for Ottawa—Vanier, is perfectly right in asking that the reports and recommendations of the accounts committee be debated here in the House. The Auditor General does a fantastic job in protecting our tax money, expenditures and projects, yes projects; the Reform Party would like to implement only cuts and no projects, not even reasonable ones, but the objective is also to develop projects.

The Canadian government is there to initiate projects designed to improve the quality of life for everybody. The government does not exist only to cut, cut, cut; it should cut in areas where there is waste. The Auditor General presents annual reports. The member for Ottawa—Vanier is right. When I was on the public accounts committee, we recommended that the Auditor General report his findings not every year but maybe every month. When the report is published annually, it has the effect of a bombshell; the media jump on it and report on the main points without digging into it. That is only a show and we should stop

making a show of things and start doing some management. We should bring the reports of the Auditor General here to the House, through public accounts committee recommendations so that we may discuss them and improve government operations.

[*English*]

**Mr. Eggleton:** Mr. Speaker, I could not agree more with my colleague.

The government is also concerned with debt and deficit and out of that comes the need for some further cutting. As we have said time and time again, there must be a balanced approach. There must be an endeavour to get Canadians back to work.

(1055)

In the program we put forward during the election campaign we made it very clear we had to act in a responsible fashion. We showed where we were going to make additional investments to get Canadians back to work and where we would have to make additional cuts. We said we were going to cut what we felt were lower priorities and the kinds of wasteful spending that is pointed out in the Auditor General's report. Therefore, we are taking action and have taken action as my hon. colleague and I have pointed out to implement those measures that are going to cut down on waste, on overlapping. That will show we are spending the taxpayers' dollars in an efficient and effective manner.

I welcome the public accounts committee to be part and parcel of that process. It should take a greater role in the process of ensuring that in future Auditor General's reports we will have far more successes to talk about than failures.

[*Translation*]

**Mr. François Langlois (Bellechasse):** Mr. Speaker, I wish to inform you that, pursuant to Standing Order 43(2), speeches from the Official Opposition will be limited to ten minutes.

I have the pleasure to rise today to speak to the motion presented by my colleague, the hon. member for St—Albert, which comprises eight different points, and gives us a lot to talk about. I will limit my comments to the Auditor General's role.

His role is painfully obvious, once a year, when he presents his annual report. Instead of focusing on one annual report, Bill C-207, presented by the member for Ottawa—Vanier, offers a very different approach which could be a good starting point for discussions on allowing the Auditor General to present, on a regular basis, periodic reports that would enable the House to regain control of the budget.

Historically, the role of the House of Commons has been mainly to control government expenditures. Take for example the case of the aircraft carrier *Bonaventure*; a few years ago, it was one of the first of a long list of white elephants uncovered by the Auditor General every year. Year after year, we have watched this horror show presented by the Auditor General of Canada. From one annual report to the next, time goes by and

very little is done to remedy the deficiencies revealed by the Auditor General.

I wonder if this famous red book we have heard so much about for so long suggests specific ideas to improve the image of parliamentarians, by presenting such reports for example. We will have the opportunity to see what the government's position is in this respect. I was rather surprised when the minister did not squarely state his position regarding Bill C-207.

I wonder whether the government is ready to go as far as amending the Auditor General Act to allow presentation of progress reports. This would make less alarming the problems the Auditor General of Canada could bring to the attention of the House for review, not once a year, but from time to time. It seems to me that such an approach would open up the process. In view of the \$28 billion Quebec contributes every year to the federal purse, the Official Opposition, the Bloc Québécois, would be well advised to take part in this exercise which, far from being futile, is a fundamental aspect of the parliamentary system, even more so if we were able to study more in-depth—

(1100)

**The Speaker:** Order, please. I am sorry to have to interrupt the hon. member, but he will have to continue his presentation after Oral Question Period.

[English]

It being eleven o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members, pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[English]

### WINTER OLYMPICS

**Ms. Bonnie Brown (Oakville—Milton):** Mr. Speaker, I rise today on the eve of the Winter Olympics to pay tribute to our Canadian athletes who will represent us there.

Over the next two weeks these men and women will bring great pleasure to our citizens who will watch them on television and experience the thrills and disappointments of the competition.

I want to praise our athletes for their beauty and grace, their self-discipline and determination, and wish them a personal best in their performances.

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However, the entire team did not go to Lillehammer. The real team reaches back in time to the volunteer coaches, referees and judges who launched these young athletes years ago and taught them to love sport and to compete fairly. It includes their parents and those athletes who over the years provided the competition against which they tested their skills and grew in competence.

On this occasion, on this eve, it is the entire team I wish to acknowledge and thank.

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[Translation]

### REGIONAL ECONOMIC DEVELOPMENT

**Mr. Richard Bélisle (La Prairie):** Mr. Speaker, the Quebec government recognizes the important decision-making role that must be given to regional co-operation and development councils in order to ensure that Quebec regions have control over development decisions that directly affect them.

The federal government should undertake to comply with the priorities established in the strategic planning of each regional county municipality in Quebec. If the federal government were to make this kind of commitment, the efforts of regional leaders in Quebec would be successful. The economic recovery of all regions in Quebec hangs in the balance.

\* \* \*

[English]

### HOCKEY

**Mr. Jim Hart (Okanagan—Similkameen—Merritt):** Mr. Speaker, it has been argued that the love of hockey is one of the uniting forces in this country.

As in most areas of Canada, this great sport is a major part of the history of Okanagan—Similkameen—Merritt. To commemorate this fact the British Columbia Hockey Hall of Fame will be built in Penticton. Recently the first inductees into the hall of fame were announced.

The world champion 1955 Penticton Vees, along with three other world champion teams, the 1937 Kimberley Dynamiters and the 1939 and 1961 Trail Smoke Eaters will be the first occupants of the hall of fame.

I would like to offer my congratulations to these inductees who are an important part of British Columbia's sports heritage. I would also like to extend my congratulations to the organizers of the British Columbia Hockey Hall of Fame. I commend them for their efforts to ensure that these great heroes are never forgotten in their future home of Penticton, British Columbia.

*S. O. 31*

### MACASSA GOLD MINE

**Mr. Benoît Serré (Timiskaming—French River):** Mr. Speaker, yesterday the bodies of Robert Sheldon and Leonce Verrier were recovered from the Macassa gold mine in Kirkland Lake, 6,000 feet below ground level. The two miners had been trapped underground since November 26, 1993 when a rockburst occurred at the mine.

On behalf of all members of the House I want to extend our deepest sympathies to the families and friends, as well as to the communities of Kirkland Lake and Matachewan. To Robert Sheldon's wife, Susan, and sons Robert Jr. and Cory, and to Leonce Verrier's wife, Darlene, and daughters Céline, Lise and Nancy, I offer my prayers in this difficult time.

To all miners across the country I pledge to try to secure funding to research and study how to prevent these occurrences in the future. I salute the courage of these men and women who risk their lives every time they go underground in order to support their families.

\* \* \*

[Translation]

### ETHANOL FUEL

**Mr. Nick Discepola (Vaudreuil):** Mr. Speaker, I would like to draw the House's attention to a project developed by a group of business people in my riding. The project is important to farmers, both from a financial and an ecological standpoint.

(1105)

The project calls for the construction in our region of an ethanol fuel plant with a production capacity of 150 million litres.

Ethanol is a clean, ecologically safe fuel and a plant with this capacity would use roughly 385,000 tonnes of corn every year, or 20 per cent of current production.

The arrival on the scene of this industry in the riding would create 225 direct and indirect jobs, 325 jobs associated with the raw material itself and 600 construction-related jobs.

In order for ethanol to become an economical fuel alternative, the tax on ethanol fuel must be removed. Mr. Speaker, I ask the Minister of Finance to look into this matter and to consider this course of action in order to promote similar projects across Canada.

[English]

### THE LATE LOUISE BREAU

**Mr. Harold Culbert (Carleton—Charlotte):** Mr. Speaker, I rise in the House today to pay tribute to Mayor Louise Breau of Millville, New Brunswick, who passed away on February 3, 1994.

Not only did Mayor Breau serve her community, she also served on the New Brunswick Villages Association and on the Provincial Municipal Council for New Brunswick. She was keenly interested in the well-being of her fellow citizens and worked tirelessly on their behalf. She will be missed by Millville and throughout New Brunswick.

On behalf of members of the House of Commons I extend sincere condolences to her family and friends and to the citizens of Millville, New Brunswick.

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[Translation]

### PATRICK TREMBLAY FOUNDATION

**Mr. Stéphane Bergeron (Verchères):** Mr. Speaker, in the last few months, the media have been talking about the case of a 21 year-old man, Mr. Patrick Tremblay, who is presently fighting against a devastating form of cancer in Texas.

A foundation under his name has been set up in order to pay for the costs of his treatment and to help other people who are in the same dreadful situation.

The people responsible for the foundation had asked for its incorporation and later issued in good faith receipts for income tax purposes, until they learned that the foundation did not have the necessary accreditation.

Without the financial support of the foundation, Mr. Tremblay would be forced to give up his treatment, which was having good results and contributing to his cure.

The accreditation request for income tax purposes of the Patrick Tremblay Foundation is presently under review by officials from the Department of Revenue. I appeal to the compassion of the Minister of Revenue so that he can put an end to the delay in accrediting this foundation.

\* \* \*

[English]

### WEST COAST PORTS

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia):** Mr. Speaker, I thank the government for dealing with the labour dispute at the west coast ports.

Our constituents, including many farmers who depend on the operation of west coast ports for their livelihood and who suffered direct financial loss from demurrage charges during these tie-ups, were very anxious to see this dispute brought to a conclusion. I am glad the government was responsive to their concerns.

This is not the first time that the government has had to legislate the end to a port workers strike. I hope the government has learned something from this experience and the experience of previous governments and will move in the near future to declare grain handling an essential service.

\* \* \*

### CBQ RADIO

**Mr. Stan Dromisky (Thunder Bay—Atikokan):** Mr. Speaker, I extend greetings to CBQ—CBC Radio of Thunder Bay on its 20th anniversary of reaching into the homes and hearts of northwestern Ontario from Manitouwadge to Kenora to Sandy Lake.

Due to the foresight of the founding forces such as the late Paul McCrae, Liberal MP for Thunder Bay—Atikokan, Doug Ward, Ken Dawson, the late Gladys Hart and the former mayor, Dusty Miller, to name a few, CBQ became the unifying link between eastern and western Canada.

Through creative programming of superior quality such as “Voyage North”, “Indian Faces” and “The Great Northwest” we have listened to the heartbeat of the finest nation in the world, a nation of peoples of diverse values, religions, languages and customs sharing a common dream.

I say thanks to CBQ for being so distinctly Canadian.

\* \* \*

### CAPITAL GAINS TAX

**Mrs. Beryl Gaffney (Nepean):** Mr. Speaker, Nepean constituents are calling and writing concerning the capital gains tax exemption of \$100,000 for individuals and \$500,000 for farmers and small business entrepreneurs. Overwhelmingly they are saying do not cut the capital gains tax exemption.

Canadians from coast to coast dedicate enormous amounts of time and effort planning for their retirement years. For many of them a crucial link in their strategy is their personal \$100,000 lifetime capital gains exemption.

(1110)

While many upper income Canadians may have already claimed their maximum lifetime exemption, it is the middle and

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lower income Canadians who will use the exemption to supplement their retirement income. The elimination or reduction of the exemption would penalize middle and lower income Canadians. The capital gains tax exemption was introduced to encourage investment in business. It is achieving this purpose.

\* \* \*

### VIOLENCE

**Mr. Walt Lastewka (St. Catharines):** Mr. Speaker, I would like to join my colleagues in condemning violence in society.

Members on both sides of the House have indicated their concerns and those of their constituents over violence in society and the need for reform of our criminal justice system.

In this year, the year of the family, violence in the home is particularly intolerable. The Statistics Canada survey released last fall revealed that one-quarter of all women have experienced violence by a spouse or former spouse. Urgent steps must be taken to increase public awareness, to provide refuge and protection for abused women and children and to ensure offenders are penalized.

The Minister of Justice stated he will introduce measures to deal with violence, particularly violence against women and children. I am pleased the minister has seen the urgent need for action on this issue. I encourage him to bring forward these measures as soon as possible.

\* \* \*

[Translation]

### TRIBUTE TO FRÉDÉRIC BACK

**Mr. Gaston Péloquin (Brome—Missisquoi):** On behalf of all Quebecers and Canadians, we wish to congratulate Frédéric Back whose new film *Le fleuve aux grandes eaux* has been selected for the Oscars in the short animated category.

It is the fourth nomination for this Quebec film-maker who already won two Oscars for *Crack*, in 1982, and *The Man Who Planted Trees*, in 1988.

This new film by Mr. Back, which has been described as a love song to the St. Lawrence River, was already awarded the Grand prix of the Annecy animated film festival in June 1993 and the prize for the best animated film of 1993 awarded in January by the movie critics of Los Angeles.

We wish to point out that this film was produced thanks to the Canadian Broadcasting Corporation, which shows once more the need to maintain the budget of the CBC.

Good luck, Mr. Back.

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[English]

### SASKATCHEWAN WINTER GAMES

**Mr. Elwin Hermanson (Kindersley—Lloydminster):** Mr. Speaker, on behalf of the residents of Kindersley—Lloydminster, I am pleased to rise in the House to pay tribute to the 1,600 athletes who will take part in the Saskatchewan Winter Games to be held from February 13 to February 19 in Kindersley, Saskatchewan. These young athletes have put in many long hours of training and I congratulate them for qualifying for the provincial games.

Kindersley is the smallest community in Saskatchewan to ever host the games. I am sure all members of this House will join me in wishing the organizing committee and all of the people of Kindersley and its surrounding communities every success in hosting such a large event.

I commend all of the volunteers and organizers for putting in the many hours of planning, preparation and hard work necessary to hold such an event.

I would encourage all members and all Canadians to take this opportunity to visit Kindersley and see the best young athletes in Saskatchewan compete in this year's winter games.

\* \* \*

### CAPITAL GAINS TAX

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, many farmers in the great constituency of Glengarry—Prescott—Russell are concerned about the future of the capital gains exemption for farmers.

Of particular concern to me and my constituents is that farmers are jumping the gun and incorporating their farm operations now before the budget is tabled. This is costing them between \$5,000 and \$10,000 for the incorporation plus additional accounting fees of as high as \$2,000 per year. Worse yet, the decision to incorporate is virtually irreversible. This certainly cannot go on. Farmers need their capital gains exemption. It is the equivalent of a pension.

I call on the government to keep this exemption and to state so at the earliest opportunity.

\* \* \*

### SOUTH AFRICA

**Ms. Jean Augustine (Etobicoke—Lakeshore):** Mr. Speaker, four years ago today Nelson Mandela was released from Robben Island in South Africa after spending more than 27 years in prison. South Africans, Canadians and people around the world are celebrating the anniversary of his release and the road to democracy which has been followed in South Africa.

I would like to pass on greetings to those who gather in Toronto tonight as part of a fundraising effort for voter education in South Africa. We wish our friends in South Africa well as they prepare and educate themselves about their democratic right to vote, a right which has until now been denied to 80 per cent of the people of South Africa.

All South Africans will have the opportunity to exercise this right for the first time on April 27, 1994.

\* \* \*

(1115)

### CIGARETTE TAXES

**Mr. Bob Ringma (Nanaimo—Cowichan):** Mr. Speaker, yesterday in the House the Prime Minister cited a three to one favourable response to the tobacco rollback tax on an Ontario radio show. The Prime Minister said that this is proof that Canadians support the government decision.

A radio talk show in my riding of Nanaimo—Cowichan reports just the opposite. CHUB radio talk show host Larry Thomas says callers to his show are nearly unanimous in their condemnation of the tax break.

In addition, the Prime Minister cited some support for the plan from radio show callers in our leader's riding when the Minister of National Revenue appeared as a guest.

I suggest the hon. minister listen to the constituents in his own riding. Talk show host Terry Spence from CFAX in Victoria reports a poll taken in his show was 55 to 5 against the tax break. The callers see the main issue being one of law and order and suggest the best plan of attack is for the government to show some intestinal fortitude—

**The Speaker:** Order, please.

\* \* \*

[Translation]

### HEALTH

**Hon. Audrey McLaughlin (Yukon):** Mr. Speaker, the future of our health care system is at stake. Canadians deserve to have someone who will stand for our health care system, someone who will be a real leader. The Minister of Health failed on all counts.

[English]

The Minister of Health has refused to stand on behalf of Canadians. When her government reduced taxes on cigarettes, she refused to commit herself on the issue of reduction of taxes on alcohol. This minister's actions have not given Canadians a lot of confidence in her ability to advocate on their behalf in health care matters.

This minister's actions have become a hazard to our health. She must resign.

*Oral Questions***ORAL QUESTION PERIOD***[Translation]***CIGARETTE TAXES**

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, in an interview with *La Presse* yesterday, the Prime Minister followed the lead of his health minister in announcing the end of the plan to lower cigarette taxes for next year, barely 48 hours after making his action plan public.

My question for the Deputy Prime Minister is this: How can she explain the Prime Minister's doing such an about-face 48 hours after he announced his plan? Does she not believe that it is sending the wrong signal to the smuggling rings?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, I have read the Prime Minister's interview, and what he said is that within a year, he expects the lost revenue, which now totals almost \$1 billion, to be recovered because the government will control the cigarette smuggling problem. That is what he said. It was also reflected in the health minister's comments. Of course, the Prime Minister's remarks are part of our strategy to end the revenue loss caused by cigarette smuggling.

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, can the Deputy Prime Minister say whether the Prime Minister did such an about-face to appease the anti-smoking lobby or to preserve the already-damaged credibility of his health minister?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, he did not do an about-face. What he said is that with the four-part anti-smoking program announced by this government, we will solve the revenue loss problem within a year. We already know that within a few days the Minister of Finance will be faced with a budget where the federal government is already losing up to \$1 billion because of smuggling.

What the Prime Minister said here in the House, and it was reinforced in the interview, was that with our four-part program, we will solve the smuggling problem and at the same time bring back revenue to the national treasury to pay for health programs, which cost Canadians quite a lot.

(1120)

**Mr. Michel Gauthier (Roberval):** Can the Deputy Prime Minister explain to us how she believes that the RCMP will be able to dismantle the smuggling rings, when the Prime Minister of Canada himself is sending the smugglers a signal that they will just have a year off and then business will resume next year?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, I would remind my hon. colleague that the smoking problem was not created during this government's mandate. We have been here for barely 100 days and it took us barely 100 days to work out a solution. The policy of the opposition leader should be challenged: for a year and a half, he was in the former Prime Minister's Cabinet and he did absolutely nothing.

We must say that when we were the opposition in the House, we raised the problem of smoking four years ago, but when the leader of the opposition was in Mr. Mulroney's Cabinet, he did nothing.

Obviously, a problem which has been dragging on for four years will take more than a year to solve. Yes, we took 100 days to launch our four-part program, which we hope will bring a solution within a year. I hope that is what you want, too.

\* \* \*

**GOODS AND SERVICES TAX**

**Mr. René Laurin (Joliette):** Mr. Speaker, my question is for the Deputy Prime Minister.

In an interview yesterday before the Commons committee on the GST, the Minister of Revenue announced that the government wants to implement a single consumption tax system in every province, including Quebec.

Does the Vice Prime—

**Some hon. members:** Oh, oh.

**Mr. Laurin:** Does the Deputy Prime Minister—I apologize, Mr. Speaker.

**The Speaker:** I was about to say "hear, hear" instead of "order!"

**Mr. Laurin:** Is this her way of asking Quebec to give up its own sales tax?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** First of all, Mr. Speaker, I must admit that I have several vices but being Vice Prime Minister is not one of them.

**Some hon. members:** Oh, oh.

**Ms. Copps:** Having said that, I think that the Prime Minister of Canada and his counterparts from every province, including Quebec, are very aware of the problem of overlap in the tax system. This problem was raised on many occasions by the Leader of the Opposition and by the finance departments, and we want to deal with it, mostly with the support of the provinces who also want a more efficient tax system doing away with overlap. That is the basis for the new tax system.

**Mr. René Laurin (Joliette):** Mr. Speaker, does the Deputy Prime Minister not agree that, instead of initiating major

*Oral Questions*

projects and implementing a single tax system, she should first try to simplify the GST and to eliminate the management and administration problems it creates for all businesses, especially small and medium-sized businesses?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Of course, Mr. Speaker, we want to do both. A few weeks ago, the Official Opposition asked the Auditor General to examine all cases of duplication in fiscal and other programs. We in the government want to do our job and eliminate this duplication, and I hope that we will have the support of the Opposition in creating a more equitable tax system for taxpayers who are paying a heavy price at the federal, provincial and municipal level.

\* \* \*

[English]

**GOVERNMENT SPENDING**

**Mr. Stephen Harper (Calgary West):** Mr. Speaker, my question is for the Minister of Finance.

Wednesday in the finance committee the minister indicated that the deficit for this year may now not go below \$40 billion. This sounds like a return to a familiar pattern.

(1125)

In the upcoming budget is it the government's intention at least to comply with the spending limits set out in the last budget and under the current spending control act for the fiscal year 1994-95 and subsequent years?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I am sure the House will understand that with the imminence of the budget it is really not incumbent upon me to make any comment really on what is going to be included in it.

**Mr. Stephen Harper (Calgary West):** Mr. Speaker, I would hope that we could make comment on the general budgetary framework and policy of the government without looking at budgetary specifics.

[Translation]

The minister continues to claim that he will reach his goal of reducing the deficit to 3 per cent of GNP by the 1997 fiscal year. We remember the actions of the former Progressive Conservative government, which pushed its deficit targets further back every year.

Can the minister assure us that he will publish his minimum deficit reduction targets for each year until 1997 in his next budget and will he make a commitment to resign if he fails to reach his minimum targets?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I have just started! The Opposition is certainly entitled to make comments, but you must understand that the finance minister has to restrict his given the imminence of the budget. I can assure the hon. member that the 3 per cent objective remains a target of the Liberal government.

[English]

**Mr. Stephen Harper (Calgary West):** Mr. Speaker, I have an additional supplementary question.

The minister is fond of referring to the 3 per cent GDP deficit target of the European Community. He will know that the European Community combines this with a maximum debt target of 60 per cent of GDP. The federal government is already at 70 per cent of GDP. What is the minister's target for the maximum debt GDP ratio in the upcoming period, the period of this Parliament?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I am really not in a position to respond on the details of the budget until such time as I have presented the budget.

You have told us on numerous occasions that we should answer through you and I am prepared to do that. But my question to you, Mr. Speaker, is are you passing the answers on to them?

**The Speaker:** The hon. minister will know that you cannot put questions to the Chair. I know that the question and answer period is going to remain just that, questions and answers and not questions and questions.

\* \* \*

[Translation]

**CIGARETTE TAXES**

**Mr. Maurice Bernier (Mégantic—Compton—Stanstead):** Mr. Speaker, the Quebec Food Retailers Association has explained to the Minister of Finance that the government's plan to fully refund retailers with an inventory exceeding 5,000 cartons of cigarettes the amount they have overpaid in taxes was unfair to small retailers, as they will be the only ones to incur losses, losses which are estimated at between \$5 and \$10 million.

In the absence of the Minister of National Revenue, I direct my question to the Deputy Prime Minister. How can she justify measures that will penalize only small retailers while large retailers will be getting a full refund?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I met in person with the president of the Retailers Association when he was here with the Conseil du patronat. The solution we are proposing is the most equitable

and practical, given the difficulty and complexity of the situation. It should be pointed out that the solution for small retailers may be to negotiate with the wholesalers or manufacturers.

(1130)

**Mr. Maurice Bernier (Mégantic—Compton—Stanstead):** I have a supplementary question for the Minister of Finance.

Since the Government of Quebec will be reimbursing the full amount overpaid in taxes on cigarettes, would it not be possible for the minister to make arrangements with the Quebec government to harmonize the refund verification procedure, thus sparing governments and retailers alike unnecessary administration costs?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, we understand very well the problem facing small retailers and sympathize with them. Certainly, we would be prepared to discuss this matter with them as well as with the Government of Quebec.

The difference between the two levels of government is that we imposed a cut in flat-rate taxes and variable-rate taxes, while Quebec, as you know, had a flat tax, which is causing problems not only in Quebec but throughout Canada. That is why our situation is different. But, as I said, we are prepared to talk about the problem. There is no easy solution.

\* \* \*

[English]

### THE BUDGET

**Mr. Ray Speaker (Lethbridge):** Mr. Speaker, my question is for the Minister of Finance. The minister continually indicates to us that he is unable to answer questions with regard to the deficit, the debt and deficit reduction. That bit of procrastination creates not only an uneasiness within this House but also in the marketplace.

When will the budget come down so that we can debate that issue with all the details and facts and get on with the job we have to do in this assembly?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the question of the hon. member opposite stings me to the quick with the allusion that I would not be prepared to answer a question directly.

I must congratulate him on the timeliness of his question. I am pleased to inform the House that the budget will be tabled at five o'clock on Tuesday, February 22.

### Oral Questions

[Translation]

I wish to thank the hon. member for his question and I am pleased to announce that the budget will be tabled in this House at 5 p.m., on Tuesday, February 22.

[English]

**Mr. Ray Speaker (Lethbridge):** Mr. Speaker, I certainly appreciate the frankness and directness of the minister.

I do not want to have the minister disclose anything that will come up in the budget. However, could he indicate and confirm the commitment of the government that there will be no increase in taxes in that budget and that average Canadians will not be adversely affected in any major way?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I did a very good job in answering the hon. member's first question.

Budget measures will be tabled in the budget and the debate will ensue thereafter.

\* \* \*

[Translation]

### CANADIAN HEMOPHILIA SOCIETY

**Mr. Gaston Leroux (Richmond—Wolfe):** Mr. Speaker, on November 24, *La Presse* published an article in which Mr. Justice Krever, chairman of the public inquiry on tainted blood, stated that the financial assistance provided to the commission and the Canadian Hemophilia Society was far from adequate.

Now that the Minister of Health had time to think about it, will she reconsider her decision and give the Canadian Hemophilia Society all the money it needs?

**Hon. Diane Marleau (Minister of Health):** Mr. Speaker, I had already answered this question many times. I want to say again that the decision is up to the Office of the Treasury Board, which is in charge of considering the request.

**Mr. Gaston Leroux (Richmond—Wolfe):** Mr. Speaker, will the minister agree with Mr. Justice Krever that the commission of inquiry also lacks the necessary funds to get to the bottom of this issue of tainted blood?

[English]

**Hon. Diane Marleau (Minister of Health):** Mr. Speaker, this is a judicial inquiry which was approved and started by the previous government. The budgets were set at that time. We must maintain, as I must as Minister of Health, a hands off approach to this commission because it is a judicial inquiry into what happened.

(1135)

A request has come forward for additional funds and it is being studied by Treasury Board.



*Oral Questions***EMPLOYMENT**

**Mr. Hugh Hanrahan (Edmonton—Strathcona):** Mr. Speaker, my question is for the Minister of Human Resources Development and is inspired by Ms. Ellen Reid of London, Ontario.

This government has promised to reduce both the deficit and the unemployment rate. The Minister of Finance has stated his deficit goal for the next year and has committed to a three year goal equal to 3 per cent of the GDP.

Is the Minister of Human Resources Development prepared to establish similar goals for the reduction in the rate of unemployment?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, I am very pleased the hon. member is able to get such inspired questions from Canadians. It certainly has elevated the level of questions we have been receiving.

I want to say to the hon. member and through him and you, Mr. Speaker, to the questioner that the Minister of Finance and I share the goals to bring down the deficit and to bring down unemployment. We all know that one is related to the other. We need to have fiscal stability to have good economic growth. However, we also must have good investment in people in order to have fiscal stability.

The government has embarked on a major effort to find ways in which it can reorganize programs like unemployment insurance, the Canada assistance plan and student aid so it can really invest in people. The best way of bringing down our deficit and the unemployment rate is to put more Canadians to work.

**Mr. Hugh Hanrahan (Edmonton—Strathcona):** Mr. Speaker, the unemployment rate is higher today than it was when this government was elected last October.

Will the minister commit to a goal of reducing unemployment by at least 1.5 per cent annually during the mandate of this government?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, I am quite prepared to make commitments to bring down the unemployment rate if members opposite from the Reform Party will also make the commitment to help us in creating a useful social program and a useful unemployment insurance program that will invest in people.

I suggest that rather than always talking about the deficit on the economic side, they might start talking about the human deficit which is just as important.

[Translation]

**BOSNIA**

**Mr. Stéphane Bergeron (Verchères):** Mr. Speaker, my question is for the Deputy Prime Minister, and I must say that we thought of it ourselves. We learned this morning that the ceasefire that was negotiated in Bosnia is not being honoured since fighting has apparently resumed in Sarajevo between Serbs and Bosnian Muslims.

Can the Deputy Prime Minister apprise us of the situation that prevails today? Can she confirm that the Serbs are rejecting the ultimatum issued by NATO and can she tell us how Canada intends to react to this situation?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, the countdown for the ceasefire started at midnight last night. We are told that things are going very well up until now. We are waiting for a chance to get both Bosnian Serbs and Muslims to give up their weapons. Everybody hopes that, with the support of NATO, the ceasefire will be observed within the ten-day ultimatum period.

**Mr. Stéphane Bergeron (Verchères):** As a follow-up, Mr. Speaker, can the Deputy Prime Minister indicate to us whether it is true that the Serbs are not agreeing to the gradual withdrawal of peacekeepers, negotiated by the Commander-in-Chief of the UN forces, General Michael Rose, and does she recognize that this situation calls into question the ceasefire conditions negotiated between Serbs and Muslims?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, according to the most recent information we have, the ceasefire negotiations are proceeding very smoothly.

[English]

Evidently we have 10 days counting down from midnight last night. Our information is that the negotiations are going quite well. We are very optimistic that the ceasefire will be respected. Obviously we will not know for sure until the deadline, which is 10 days from midnight last night.

\* \* \*

(1140)

**TOBACCO PRODUCTS**

**Mr. Andy Scott (Fredericton—York—Sunbury):** Mr. Speaker, my question is for the Minister of Health.

Last Tuesday the Prime Minister announced a comprehensive four point plan to deal with the illegal smuggling of tobacco into Canada. To date most of the attention around the issue has focused on the tax reduction part of the plan, particularly in New

*Oral Questions*

Brunswick where I come from because that province has joined with the Government of Canada to use that particular measure.

In the face of that attention it is important for Canadians to be reminded of this government's determination to discourage smoking particularly among young Canadians. I ask the Minister of Health to elaborate on what those plans are.

**Hon. Diane Marleau (Minister of Health):** Mr. Speaker, my message has been straight and honest. Smuggling is a severe problem that is undermining health policy in this country. Part of the package announced by the Prime Minister on Tuesday contains some of the toughest anti-smoking measures ever introduced in this country.

I fought hard for this package and I believe in it. The package includes things like the banning of kiddie packs. It includes the \$185 million we are going to receive by taxing the excess profits of tobacco manufacturers. It includes an export tax. It includes bringing forward embossed cigarettes. It includes looking at plain packaging. It includes looking at how to control—

**The Speaker:** That is a very inclusive list.

\* \* \*

**JUSTICE**

**Ms. Val Meredith (Surrey—White Rock—South Langley):** Mr. Speaker, in the absence of the Minister of Justice my question is for the Deputy Prime Minister.

In January 1992 Wayne Sullivan of Prince George, British Columbia, shot and killed his wife. In December 1993 Mr. Sullivan was acquitted on all charges because he was drunk and did not know what he was doing.

Is the government prepared to comment on this occasion about its willingness to change the law so that substance abuse does not constitute an excuse for murder?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, in the absence of the Minister of Justice I would certainly like to take the question under consideration. It is a very serious one. Obviously substance abuse is a very serious problem. We will report back to the member as soon as possible.

**Ms. Val Meredith (Surrey—White Rock—South Langley):** Mr. Speaker, I thank the Deputy Prime Minister for her assurance that something will be done to address this. If she needs help in coming up with some way to resolve this we would be pleased to offer our help.

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada):** Mr. Speaker, I would like to address that question by saying this is a very serious situation which needs a great deal of study.

As the hon. member can appreciate, it is not the role of government to interfere in decisions of the court but we learn from the decisions of the courts. That gives us the information needed to formulate the policy we want to bring forward to Canadians to honour the commitments made in the red book.

I assure the hon. member that this subject is being studied very carefully. Hopefully it will be reflected in policy by the government in the not too distant future.

\* \* \*

[Translation]

**MEMBER FOR ST. JOHN'S WEST**

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies):** Mr. Speaker, we learned yesterday that the member for St. John's West will have to pay back \$78,000 to the state following accusations to the effect that public money was used for purposes other than those initially intended.

When pressed to comment on this issue, the Minister of Human Resources Development said:

[English]

"I do not think it is a matter of irregularity".

[Translation]

My question is for the Deputy Prime Minister. Given the intention of the Prime Minister to implement a new code of ethics to ensure integrity within his government, does the Deputy Prime Minister agree that this is an unacceptable occurrence which tarnishes the government's image?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, the case in point was a commercial transaction between two companies that had contracted for training programs from the Department of Human Resources Development. Because of changes in the nature of the operation of the companies, the department felt there was an overpayment of some of the funds.

(1145)

There were no irregularities. The hon. member is misusing the word. He should be careful with the language he uses. The fact is the repayment schedule has been arranged under the normal procedures of the department. It is a routine procedure that happens all the time.

Many companies throughout Canada are faced with that. As far as the government is concerned the matter has been handled in an honourable way.

## Oral Questions

[Translation]

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies):** Mr. Speaker, how then can the Minister of Human Resources Development explain his sudden about-face since, in less than 24 hours, he first said that this was a routine procedure and then proceeded to demand the money back from the member for St. John's West?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, as I already said, the money will be paid back. An acceptable arrangement will be made by the department and the companies concerned. There is no problem.

[English]

We have said clearly that an arrangement has been made for the moneys to be repaid on a regular basis according to the procedures that have been set out and which apply to hundreds of companies every year. There is nothing different or unusual in this case than what happens across the board throughout this country day after day.

**The Speaker:** The Chair is having a little difficulty. I know hon. members will not want to impute motives. I hope in the formulation of questions that the questions would be of a more general nature in future.

I would hope my hon. colleagues would consider that.

\* \* \*

## THE ENVIRONMENT

**Mr. Myron Thompson (Wild Rose):** Mr. Speaker, my question is for the Canadian heritage minister or whoever would like to answer in his absence. Possibly the Minister of Human Resources Development would be interested in this because it deals with jobs.

Since 1978, Sunshine Village Corporation, a world class ski facility in Banff had continuous environmental assessment for Goat's Eye Ski Run and other developments, and final approval in 1992. This development means hundreds of long term construction jobs and meets the red book objectives.

Why did the minister order a FEARO panel review costing at least a million dollars to do again what has been done for the last 15 years?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, the FEARO panel review will not cost a million dollars. It will cost substantially less than that, hundreds of thousands of dollars less.

The government believes that projects of the nature of Sunshine, which will substantially alter the geographic face of the

mountain, deserve and should have an environmental assessment review panel visit the decisions.

We think the cost of not doing an environmental assessment is far greater than the cost of doing an environmental assessment for our children and for their children.

**Mr. Myron Thompson (Wild Rose):** Mr. Speaker, this has been going on for 15 years. It costs nearly a million dollars when one counts the amount of money the entrepreneur and other business people will have to put toward this panel.

In the *Globe and Mail* it was noticed that the minister was too busy planning Olympic travel arrangements and posh hotel accommodations to discuss issues at a scheduled meeting with amateur athletic representatives.

My question for the minister is: How can unemployed Albertans depending on this environmentally approved development not believe this issue was treated carelessly by the minister?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, the decision to strike a panel was not taken carelessly believe me. It was taken after much consideration, in particular because of the nature of the mountain.

We have cultural heritage and we also have natural heritage. We want to approve development that is in the best interest of the business people, yes, but what about our children, our grandchildren and their grandchildren?

We have a responsibility to respect the environment. The striking of an environmental assessment review panel meets the objectives of government to ensure that any development, particularly in an area as sensitive as our national mountains should be done in an environmentally sensitive way. That only makes good sense for our kids' future.

(1150)

**Hon. Charles Caccia (Davenport):** Mr. Speaker, my question is for the Minister of the Environment and Deputy Prime Minister. It has to do with the presence of chlorine and chlorine related substances in the Great Lakes and St. Lawrence River.

Does the government intend to regulate chlorine discharges into the Great Lakes and St. Lawrence River and, if so, will the government urge the United States government to do the same?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, the hon. member because of his vast environmental background will know that when you are talking about chlorine you are talking about a number of chlorinated compounds. We are looking at the sunseting of various chlorinated compounds and in that context we would certainly be happy to have his input as the chair of the standing committee on the environment.

*Oral Questions*

We consider it a very serious question. We also recognize that chlorine comes in many forms and that in the past the substance has been used to avoid cholera outbreaks and other very contagious diseases.

We would like to have a balanced approach that can sunset chlorinated compounds when they are toxic and we would certainly love to have his input on this issue.

\* \* \*

[Translation]

**QUEBEC CITY AIRPORT**

**Mr. Philippe Paré (Louis-Hébert):** Mr. Speaker, my question is for the Minister of Transport. Yesterday, I received copy of a letter addressed by the minister on February 10 to the Official Opposition critic for transport. This document concerns the relocation of the air control unit at the Quebec City airport.

Is the minister aware that the new radar facility of Bernières, which is the link between the Quebec City airport and the regional control centre, does not work between the 241st and the 247th degree, although all of the air traffic between Quebec City and Montreal uses that corridor?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, the hon. member knows that the decision made a while ago to change the air control system, not only in Quebec City, but also in Halifax and in several other cities across Canada, is aimed at ensuring the safety of those who rely on these navigation systems.

There is no doubt in my mind that the transfer of the air control unit from Quebec City to Montreal will not jeopardize safety.

**Mr. Philippe Paré (Louis-Hébert):** Mr. Speaker, I have a supplementary, even though the minister's answer is absolutely unsatisfactory. How can the minister claim that his civil servants' decision is based on a recommendation of the U.S. federal air administration, when in fact the Sypher-Mueller report prepared by American experts for his department recommends not only that the Quebec City and North Bay facilities remain open, but that they be expanded?

[English]

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, I have indicated to my colleague on a number of occasions when this question has been raised that it is the intention of the department to ensure that the same criteria applies based on the same levels of aircraft movement and all the security aspects that are essential to safe air navigation in this country.

The situation in Quebec City with respect to the control terminal is being assessed in exactly the same light as what took place at Halifax when air control was moved to Moncton, the

closing of North Bay, and the reassessment of all of those units across the country.

The one thing I want to emphasize to my colleague is that we will deal with all of these decisions in a fair, equitable way and everyone will be treated in exactly the same way which is I am sure what my colleague would expect.

\* \* \*

**DEPARTMENT OF FINANCE**

**Mr. John Williams (St. Albert):** Mr. Speaker, my question is for the Minister of Finance.

The accounting firm of Ernst & Young has been hired by the finance department to study the department's longer term deficit forecasts. They are to examine why the department's forecasts over the years have been so inaccurate and what can be done about this. Could the Minister of Finance tell the House why he has chosen an outside accounting firm as opposed to having the office of the Auditor General study the problems of the Department of Finance, and could he tell the House how much the study will cost?

(1155)

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, together with the officials of the Department of Finance we commissioned this study which was awarded in open competition by a steering committee that included the Auditor General as a member. We recognized that the effects of disinflation, the disconnection between growth and job creation and therefore government revenues, had created a new situation, a new set of parameters, which economists across the country were having a great deal of difficulty dealing with.

As a result we commissioned the study. We think it is really going to be a landmark in economic forecasting within this country. The details of the costs of that will be made available in due course.

**Mr. John Williams (St. Albert):** Mr. Speaker, in order to save taxpayers' money, would the minister be willing to support an amendment to the Auditor General Act that would empower his office to conduct the review of the revenue estimates?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, at the time it was done there were extensive discussions held with the Auditor General's department. I participated in those discussions myself. It was decided by all parties that given the person power available, the expertise required, the absolute necessity of getting at this task, and prior experience, that this would be by far the best course of action to take and that is why we took it.

*Oral Questions*

[Translation]

**RESEARCH AND DEVELOPMENT**

**Mr. Réal Ménard (Hochelaga—Maisonneuve):** Mr. Speaker, like every Friday morning, I am pleased to put a question to the Minister of Industry.

Research and development support programs are in a real mess. In its February 4 edition, the *Financial Post* reported that, according to some people, it is impossible for businesses, and especially small and medium-sized businesses, to make sense of these programs without the help of experts in that field. The fact that we have lapsed votes every year just goes to prove my point.

Will the minister undertake to act immediately and to make considerable efforts in order to improve the accessibility and efficiency of these research support programs and to help small businesses to make full use of them?

**Hon. John Manley (Minister of Industry):** Mr. Speaker, I want to thank the hon. member for his Friday question.

Encouraging small and medium-sized businesses to be more active in the research and development area is one very important element of our Canadian economy strategy.

As the hon. member knows, only 0.4 per cent of all Canadian businesses are involved in research and development, and very few of those are small and medium-sized businesses. The key element of our strategy is to find ways to help small businesses in that area.

\* \* \*

[English]

**STATUS OF WOMEN**

**Mr. Jim Hart (Okanagan—Similkameen—Merritt):** Mr. Speaker, my question is for the Secretary of State responsible for women's issues.

It has come to my attention that taxpayers are spending \$25,000 on a management training course for the president of the Canadian Advisory Council on the Status of Women just 11 months before her term expires and just two months after the council laid off other staff.

Does the minister feel that the expenditure is appropriate and have provisions been made for repayment to the taxpayers for this free education program?

**Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)):** Mr. Speaker, it is a normal practice in the world of business, whether it is the business of the House, or the business of the country, or business in the private sector, to invest in the growth and development of our human resources.

That is exactly what was undertaken. Miss Simms is a very fine example of good leadership and potential for the growth and development of women's interests as well as business interests around this country. She has served well and will continue to contribute to the growth and development of our country.

\* \* \*

(1200)

**AGRI-FOOD INDUSTRY**

**Mr. John O'Reilly (Victoria—Haliburton):** Mr. Speaker, my question is for the Minister of Agriculture or, in his absence, the deputy minister. The recent settlement of the GATT agreement may necessitate some changes in the supply management system for the Canadian dairy, egg and poultry sectors.

Could the minister tell the House what is being done to ensure the future and continued success of these important Canadian industries?

**Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food):** Mr. Speaker, I thank the member for his continued commitment and interest in the future of the agri-food industry in Canada. I would remind the House of the continued commitment of this government to orderly marketing in the supply management sectors in Canadian agriculture, the dairy, egg and poultry sectors.

In order to ensure this the minister has put in place a task force to meet with and to talk to all sectors of the industry, producers and primary producers, processors, hotel and restaurant wholesalers, retailers and right to the consumer to ask them about issues they feel need to be addressed in order to take the supply management industries into the next trading regime.

That task force is well on its way. It is ongoing. I can assure the House that we will not be repeating any of the good work that has been done. However we are working hard to make sure we are ready in the industry and in the country for July 1, 1995 when the new GATT rules come into effect.

\* \* \*

**SMALL BUSINESS**

**Mr. Nelson Riis (Kamloops):** Mr. Speaker, my question is inspired by tens of thousands of small business operators who as a result of the previous government's—

**An hon. member:** He is going Reform.

**Some hon. members:** Name them.

**Mr. Riis:** Mr. Speaker, I cannot name all of them. Because of the previous government's fiscal and monetary policy they were actually forced into the underground economy as a way to survive in business.

*Points of Order*

My question to the Minister of Finance or the Deputy Prime Minister is considering that this is a new government promising a whole set of new initiatives, is the government considering specific steps that would reach out to those small business operators particularly and independents that have been forced to operate in the underground economy and who now wish to come above ground and participate on the level playing field with their competitors across the country?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, first of all I would tell the hon. member and through him the hundreds of thousands of small businesses who have written to him that we certainly do agree with his characterization of the activities of the previous government and the effect its policies had on the growth of the underground economy.

I can assure him that as was set out in the red book and was a major part of our campaign, the growth of small and medium sized business in this country and its ability to create jobs remains at the forefront of our activities. I will say that will be reflected obviously in the fiscal and monetary and budgetary considerations of this government.

\* \* \*

**POINTS OF ORDER**

## WORLD WAR II

**Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)):** Mr. Speaker, I rise on a point of order.

Canadians and other freedom loving countries are about to celebrate the end or the beginning of the end of a horrible nightmare of six years of world war in Europe when in June the 50th anniversary of D-Day is going to be celebrated and we will recall the loss of Canadian lives. More particularly when I think of Adolf Hitler's ideology, his obsession that brought chaos to Europe, death to millions of my people, death to millions of other people, I find it absolutely reprehensible to think that his name would come into question in this House.

**The Speaker:** Order, please. I am sure the minister would consider making her statement at the time of statements as opposed to a point of order. The Chair is hard pressed to find a point of order there.

I would encourage the minister to consider that as another avenue.

[*Translation*]

## ORAL QUESTION PERIOD

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, during Question Period, my colleague for Anjou—Rivières—des—Prairies put a question to the Minister of Human Resources Development.

After the question had been answered, Mr. Speaker, you rose to say that the opposition should choose the wording of its questions carefully. I will tell you very frankly that I do not understand the meaning of this statement for the following reasons: First, the official opposition is very aware of its responsibilities, we know that questions should use the right words and be respectful of the persons involved.

(1205)

The hon. member for Anjou—Rivière—des—Prairies had chosen his words particularly well to avoid implicating a person who, from what we know, is not, at this stage, accused of any criminal act or other wrongdoing.

Mr. Speaker, I would like to point out to you that my colleague only talked of using public funds for purposes other than the ones originally stated. My colleague never used words like fraud, theft, embezzlement or anything like that. He simply asked what was happening to public funds used in a way not originally intended. If it had not been so, clearly the hon. member would not have to repay. So we must conclude that the wording of the question was quite proper.

I would not want, Mr. Speaker, translation problems or things like that to lead you to believe that the opposition is using unparliamentary language or improper terms. I believe our rules protect the questions as well as the answers. The choice of words or expressions is ours. We are used to abide by that and we are very responsible in our choice of words. This is what I wanted to point out to you, Mr. Speaker.

**The Speaker:** I thank the hon. member for Roberval for his comments. Mine were merely intended as a gentle warning, because I do not want and I know the House does not want us to cross this line.

I will read over what was said, and if, in the final instance, I should not have interrupted at that point, I will get back to the hon. member. My point is simply that we must choose our words carefully. If there was a misunderstanding on my part, I will get back to the hon. member and let him know. Thank you for your comments.

**Mr. Gauthier (Roberval):** Mr. Speaker, I want to thank you for taking the trouble to consider this matter. I am sure that we will reach an understanding and that we agree on the principles involved.

I would like to take this opportunity to ask another question, on another matter, this time speaking as the House Leader for the Official Opposition. I would like to ask what happened in the process of selecting questions for Question Period? What is the Chair's procedure? I noticed that contrary to custom, the Official Opposition was deprived of a number of questions and that this week, a number of independent members linked to one political group in particular were entitled to more questions than would normally be the case.

*Routine Proceedings*

I want to ask the Chair whether this was dictated by the circumstances this week or did the Chair decide to change the rules of the game, or will we get back to normal next week?

**The Speaker:** The Chair never decides unilaterally to change the rules of the game. As you know, we do our utmost to recognize all members who wish to ask questions.

If there seemed to be an imbalance during the last few weeks, that is because sometimes we have days that are a bit longer and I can recognize members who wish to ask questions.

I will review what happened this week and during the past month, and we will discuss the matter with the House Leaders.

[*English*]

MEMBER FOR WILD ROSE

**Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage):** Mr. Speaker, I rise on a point of order. The hon. member for Wild Rose, in his effort to malign the Minister of Canadian Heritage, referred to a *Globe and Mail* article which is acknowledged by all parties involved to have been ill researched and largely inaccurate. I would hope the hon. member would certainly retract his comments.

(1210)

**The Speaker:** I am confident that the hon. member would not impute a motive to any other member to malign anyone on any question. I hope that when we choose our words to put a question that we will always keep in mind that what we are trying to do is to get the truth of whatever the matter is, to have questions properly presented and indeed where possible to have their questions aired.

I know that in the spirit of what has transpired in the last month or so that terms such as those that try to malign might be taken out of our vocabulary if it is at all possible. I take note of what the member has said. I do not know if it is a point of order, but I do take note.

**Ms. Guarnieri:** Mr. Speaker, perhaps I could replace the words in question with misleading and inflammatory and ill conceived words on the part of the hon. member for Wild Rose.

**The Speaker:** I am sure that we do not want to get into that or get into that as little as we can. The point is taken and I thank the hon. member.

**Mr. Riis:** I had a point of order, but it has been answered. Thank you, Mr. Speaker.

**The Speaker:** Did I answer it?

**ROUTINE PROCEEDINGS**

[*English*]

**COMMITTEES OF THE HOUSE**

PROCEDURE AND HOUSE AFFAIRS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Procedure and House Affairs regarding changes in the membership of the standing committees, pursuant to Standing Order 114 of the House.

I would ask that the House dispense with the reading of the report. If the House gives its consent, I intend to move concurrence in this report later this day.

\* \* \*

**CRIMINAL CODE**

**Mr. Don Boudria (Glengarry—Prescott—Russell):** moved for leave to introduce Bill C-214, an act to amend the Criminal Code (hate propaganda—age group).

He said: Mr. Speaker, the proposed amendment that I am offering today to the Criminal Code would amend the hate propaganda provisions whereby someone who advocates or promotes the physical destruction of a person of an identifiable group would be prevented from doing so.

At the present time the Criminal Code says that an identifiable group is differentiated or distinguished by race, colour, religion or ethnic origin. I would like to add the word age to that, thereby preventing the promotion of violence or destruction against children.

(Motions deemed adopted, bill read the first time and printed.)

\* \* \*

(1215)

**COMMITTEES OF THE HOUSE**

PROCEDURE AND HOUSE AFFAIRS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, if the House gives its consent, I move that the fourth report of the Standing Committee on Procedure and House Affairs, presented earlier this day, be concurred in.

(Motion agreed to.)

*Supply*

[Translation]

**PETITIONS**

## SOCIAL HOUSING

**Mr. Réal Ménard (Hochelaga—Maisonneuve):** Mr. Speaker, pursuant to Standing Order 36, I would like to present a petition on behalf of 1,000 citizens who are asking the government not to proceed with potential rent increases in low-income housing and in the OSBL. I support this petition and hope that the government will respond to it favourably.

## POSTAL SERVICE

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, I would also like to table a petition on behalf of citizens of my riding, mainly from the Saint-Grégoire area of the city of Bécancourt, as well as from the parish of Grand-Saint-Esprit, who avail themselves of their ancient and undoubted right to present a grievance common to your petitioners.

Through this petition, they urge the government to stop closing post offices and unreasonably reducing the working hours of people who work in these offices. They do not accept the fact that the quality of postal service is penalizing the small parishes.

[English]

## YOUNG OFFENDERS ACT

**Mr. Rex Crawford (Kent):** Mr. Speaker, I am honoured once again to rise in the House pursuant to Standing Order 36 and present a petition of over 1,000 names on behalf of citizens concerned about the Young Offenders Act.

This petition is not only from my own riding of Kent but from Essex—Kent, Windsor West and Windsor—St. Clair, Lambton and Sarnia. It states that crimes committed on society by young offenders are on a serious uprise and the young offenders go virtually unpunished due to protection under the Young Offenders Act, whereas they lack respect for the law and fellow citizens, whereas there is no remorse or shame on the part of the young offender.

Wherefore, the undersigned, the petitioners, humbly pray and call upon Parliament to review and revise its laws concerning young offenders by empowering the courts to prosecute and punish the young law breakers who are terrorizing our society by releasing their names and lowering the age limit to allow prosecution to meet the severity of the crime.

## CRIMINAL CODE

**Mr. Bernie Collins (Souris—Moose Mountain):** Mr. Speaker, pursuant to Standing Order 36(1), I would like to present this petition on behalf of citizens of the province of Saskatchewan.

The undersigned, the residents of the province of Saskatchewan, draw to the attention of the House the following: Whereas under section 745 of the Criminal Code of Canada convicted murderers sentenced to life imprisonment without chance of parole for 25 years are able to apply for review after only 15 years, and whereas the murder of police officers and prison guards in the execution of their duties is a most reprehensible crime, the petitioners request that Parliament repeal section 745 of the Criminal Code of Canada.

## OFFICIAL LANGUAGES

**Mr. Jim Jordan (Leeds—Grenville):** Mr. Speaker, I have a petition, duly certified as to form and content, from citizens across my riding asking the federal government to seek approval from the Canadian people for Canada's policy with reference to official languages.

(1220)

## THE NATIONAL ANTHEM

**Mr. Morris Bodnar (Saskatoon—Dundurn):** Mr. Speaker, I have had a petition forwarded to me which has been duly certified indicating that in the opinion of the petitioners the Canadian National Anthem makes reference to the male sex and is therefore sexist. The petitioners request that the anthem be amended to avoid such terms.

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**QUESTIONS ON THE ORDER PAPER**

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I would ask that all questions be allowed to stand.

**The Deputy Speaker:** Shall all questions stand?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[Translation]

**SUPPLY**

## ALLOTTED DAY—REPORT OF THE AUDITOR GENERAL

The House resumed consideration of the motion.

**The Deputy Speaker:** The hon. member for Bellechasse had five minutes remaining for his speech.

**Mr. François Langlois (Bellechasse):** Mr. Speaker, I thank you, and I wish to remind you that, pursuant to Standing Order 43(2), the Official Opposition will be splitting its time into ten-minute periods.

As the time for statements by members and oral question period was beginning, I was about to bring up the provisions of Bill C-207 introduced by one of my hon. colleagues as a private



*Supply*

member's bill. The purpose of the bill is to allow the Auditor General to present interim reports throughout the year, a move which would give parliamentarians a greater role to play in the affairs of government.

I think that the government should take Bill C-207 introduced by the hon. member for Ottawa—Vanier and reintroduce it, either as is or in some other form, as a government bill to which improvements could be made in committee.

As I noted earlier, the Reform Party motion tabled in this House by the hon. member for St. Albert contains eight separate items. It is difficult to examine even one item thoroughly, much less the entire motion.

For example, item (e) calls upon the Minister of Indian and Northern Affairs to address problems relating to the rights of aboriginal peoples. This is one area on which the Auditor General has focussed.

I think that this is a very interesting proposal. The federal Indian Act made native peoples second-class citizens by confining them to reserves and treating them as wards of the state, without giving any thought to the fact that they had the legitimate right to govern themselves as they saw fit, under the broad terms of the Canadian Constitution.

In the early 1980s, Quebec worked hard to prove to the other Canadian provinces and to the federal government that it was possible, working within the framework of the current Constitution and with the openings afforded by section 35 of the 1982 Constitution, to give native peoples a greater opportunity to find their own way, one which would be defined as openly as possible, and, after so many years of federal trusteeship, to recognize their right to native self-government.

This was just wishful thinking, of course. We have long been advocating an end to overlap and duplication of services between the federal and provincial governments. We are pleased to a certain degree to hear the hon. member for St. Albert and his party call for this kind of action, since we have studied this issue at considerable length. The Bélanger-Campeau Commission in Quebec very aptly recommended an end to overlap.

The Bloc Québécois' mission is to bring an end to overlap once and for all. This will come about when sections 91 and 92 of the British North America Act of 1867 are repealed. In the meantime, we will do everything we can to limit the damage inflicted on us by the Constitution Act of 1867.

(1225)

But, as long as we are Canadian taxpayers, we in Quebec will continue to keep a close watch on things to ensure that the situation we inherit—and we will inherit our share of both assets and liabilities—is the best it can be. It is with this objective in mind that we will continue to work in the House to improve or stabilize the situation.

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, first, I would like to congratulate my colleague on his well-prepared speech. I would also like to congratulate the hon. member of the Reform party who put forward this motion which calls for many things. It is an appeal to the government to act in the interests of taxpayers.

There is a certain resemblance—and I am certain that my hon. colleague will agree with me on this—between the motion before us today and the one presented yesterday by the Official Opposition as part of the two allotted opposition days this week. Both motions reflect a will to cut government expenditures. Yesterday, we proposed the striking of a special committee which would review departmental spending item by item. Savings would be realized simply because expenses would be disclosed. The motion put forward today is similar, but refers specifically to certain sectors.

The government's pat answer is that we have the public accounts committee to look into spending matters.

This morning, the hon. member for Ottawa—Vanier, who used to chair the public accounts committee, told us that the latter had passed resolutions similar to the motion put forward by the Reform party. The committee wanted to do exactly what the Official Opposition is advocating now, but the government was never willing to go along.

All day yesterday, and again today, the government stubbornly maintains that the public accounts committee can do its job. Of course it can, but then the government must take its recommendations into account.

If a special committee representing all parties in this House, including independent members, could review, item by item, all departmental spending, it seems to me that its influence would be greater, more far-reaching. It would exert even greater moral pressure on the government and would have the support of all parties to carry out these spending cuts.

This is why I would like my hon. colleague to tell me whether or not my remarks tie in with what he was saying shortly before oral question period.

**Mr. Langlois:** Mr. Speaker, I thank the hon. member for Richelieu for his comments and question.

I believe the hon. member was referring to the first part of my speech to which he listened closely, since after an interruption of more than one and a half hours, he was able to focus in on the point I was making. Before statements from members, I was saying how odd it was that Bill C-207 dated February was sponsored by the former chairman of the public accounts committee under the late lamented Conservative government. The bill calls for interim, sequential reports to be issued throughout the year so that reviewing public finances becomes a routine matter and members are finally able to fulfil their real mandates as parliamentarians.

The hon. member for Ottawa—Vanier also mentioned that a period of time should be allotted to consider reports from the public accounts committee and I think that is what the hon. member for Richelieu was alluding to. It is not enough simply to table a report. I agree with what others before me have said, namely that time should be allotted for the serious consideration of reports of this nature.

(1230)

As for the last question raised by the hon. member for Richelieu, namely whether a committee should be struck to review spending item by item, of course I think this would be the best approach, certainly preferable to a motion such as the one put forward today by the hon. member for St. Albert which touches on certain aspects, but overlooks others. I think the motion we presented yesterday was much broader and, as the hon. member for Richelieu said, it would provide a much better overview of Canada's public finances.

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies):** Mr. Speaker, first of all, I would like to thank the hon. member for St. Albert as well as the Reform Party for having tabled this motion in the House today because, on the whole, this motion goes along the line of what the Bloc Québécois is requesting.

We agree in principle with the motion of course, as it recommends a complete follow-up on this famous Report of the Auditor General of Canada, a report that every one should have read and that I recommend to the public. People can get a copy for free.

However, we believe that this motion does not go far enough. Only a tiny part of government expenditures are audited by the Auditor General and appear in this book, a book which unfortunately more often than not gathers dust on a shelf.

The Auditor General of Canada himself says, and I quote: "Most of the time, Parliament does not get adequate information on what government departments and agencies have accomplished with the billions of dollars from taxpayers".

We are all aware of the terrible state of government finances. We are aware of the burden of the debt on Canadians and Quebecers, a burden that sadly our children may inherit. We are aware of the unemployment rate, which is not coming down, of the bankruptcies and of the hardship they bring about.

I must remind you by the way that the suicide rate among young people is higher in Quebec today than in any other industrialized country in the world. Such an incidence is a clear indication of how much young Canadians have lost hope in the future.

Through all this, Quebec is a little poorer than other provinces and ends up receiving, through federal tax transfers, quite a bit

### *Supply*

of assistance. But I think it would be a good idea to look at why Quebec finds itself in that situation.

We must understand that Quebec gives \$28 billion to Canada. That is nearly 25 per cent of federal revenue and if we check the federal government expenditure items, we will see that in most cases we lose out.

Let me give you a few short examples, as this is not the main thrust of my speech. In research and development, between 1979 and 1989, federal departments invested about 18.5 per cent of their R and D funds in Quebec, while we provided 25 per cent of Canada's revenue. There definitely is a shortfall, not only in the money not being reinvested in Quebec but also in terms of the beneficial effect of such investments on job creation because it is well known that research and development is one of the factors stimulating job creation.

With respect to federal investments in Quebec, while we have provided approximately 25 per cent of federal revenue in Canada from 1973 to 1993, we have been getting back 18 per cent on average. There is a 6 or 7 per cent shortfall there. And I will remind you that these investments amount to billions of dollars. This means that billions of dollars are not being pumped back into Quebec's economy to create jobs, but are being provided in a different way, through tax transfers for social benefits.

(1235)

I am pointing out these two items but, if we look at the whole picture, we can see that, in the last 20 to 25 years, Quebec's economy is, for lack of a better word, gradually transferring to Ontario precisely because of federal investments causing our economy to disintegrate. The Auto Pact, for example, encouraged all car manufacturers to locate in Ontario. None of them came to Quebec. The digging of the St. Lawrence Seaway, which was, of course, a very beneficial project in general for Canada, had long-term negative effects for the port of Montreal because, with shipping going through to the Great Lakes, there were successive lay-offs over the years at the port of Montreal. The Borden line, which we will be discussing at length, I am sure, in the coming months, encouraged petrochemical plants to move from Montreal's east end where my constituency is to central Ontario, to Sarnia.

That move resulted in thousands and thousands of jobs lost in Quebec, in a sector I know well as I worked for oil companies putting floating covers on oil tanks across Canada, in the United States, in Texas; it is a sector I know well. As a result, people who were making very good salaries lost their jobs; today these people are on unemployment or on welfare. We lost thousands of jobs because of a federal policy and now these people are collecting welfare benefits.

We can also look at airports. As you may recall, a few years ago, Mr. Trudeau decided to build another airport because of congestion at the Dorval airport. So Mirabel was built at a cost

*Supply*

of millions of dollars and thousands of people were moved to make way for the airport. As soon as that was done, international flights, which did not have that right back then, were allowed to land directly in Toronto.

So what happened? Well, airport activity was merely transferred from Montreal to Toronto, as it is obviously not in carriers' interest to make two stops. They land directly in Toronto. As a result, Mirabel is now a big white elephant that has cost hundreds of millions of dollars. At the same time, Toronto airport is being expanded because there are too many flights landing there.

We can see in these examples a rational explanation for what is happening in Quebec, whose economic infrastructure is disappearing along with thousands of jobs. It is a debate in which we will be taking an active part in the coming weeks and months, I am sure, when we start speaking seriously in this House about the advantages and disadvantages of Quebec's sovereignty.

What we also learned is not only that the economy is going very badly but in recent years, especially in the election campaign which just ended, but how much people have really lost confidence in politicians now. I think that the results of the October 25 election are eloquent testimony of this. Here we are, then, at the point where the government—at least we think so and we will see in the budget to be tabled very soon—we think that the government will really attack social benefits or fiscal transfers to the provinces in the coming weeks.

Mr. Speaker, that is my point: I think that the people are aware of the very difficult situation we are in now and are also aware that they do not like the way politicians do business. If we want to clean a staircase, we should start at the top. That is how you clean a staircase, from the top down. That is why we not only agree with the motion presented here but we ask for much more. In conclusion, we want a parliamentary committee to examine all government spending item by item, right here in this House, in front of everyone. We want the books to be opened to the public for all tax expenditures.

(1240)

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, I want to congratulate the hon. member for Anjou-Rivière-des-Prairies. He explained the problem very well and provided concrete examples of jobs which were eliminated in Quebec and transferred to other regions, following administrative decisions made without consultation.

As for the motion tabled by the Reform Party, I am pleased that my colleague agrees with it, although he would like to give it greater scope regarding government spending in general.

I wonder—and maybe my colleague could comment on that—if we should not only look at government spending but also at some institutions or programs which have always been in place and are very costly. As an example, I can mention the other place.

We are told that the Upper House costs \$43 million. An article was recently published in either *La Presse* or *Le Devoir*, I forget, which referred to some incredible costs. For example, there are 11 cabinet makers, as well as a gymnasium which only one member of the other place has been using regularly in the last four years.

Consequently, we have to take a look at this patronage haven, which is somewhat of a remnant of colonialism. Would it not be possible to make a cut, along with others, and thereby save a minimum of \$43 million?

As you know, in the minds of the Fathers of Confederation, the Upper House was meant to be a watchdog controlling the zeal of elected members, often to protect the interests of the rich but also of the general public. However, the situation changed progressively in the sense that interest groups have now come into existence all over the country and have direct access to the government. Consequently, the other place is no longer the repository of the public's claims.

Unfortunately, the Upper House has now become the place where an outgoing Prime Minister rewards political friends.

I am not saying that all the members of the other place got there like that, and I do not want to take anything away from their personal and professional qualifications. However, the fact is that the perception is, at least in Quebec, that the Upper House is useless and can even, on occasion, prevent the democratically elected members of Parliament from quickly implementing their decisions. The other place can sometime delay bills. This, added to the fact that it sat for only 43 days last year, makes it a very expensive proposition.

So, when we talk about spending cuts, should we not consider what the Official Opposition was suggesting yesterday, during another allotted day, and widen the terms of reference, as the Reform Party is suggesting today in its motion? Should we not widen the terms of reference to include not only government spending, but also to examine the *raison d'être* of some institutions, including the other place.

In a sense, I am a bit surprised that the Reform Party, which is advocating spending cuts, would rise in this House and wish that the members of the other place be elected. That would only further increase the expenditures and slow down the decision-making process. We do not need the other place anymore, because the regions are now very well represented, first in the House of Commons and also by special interest groups which

have expanded throughout Canada. The regions can speak for themselves and do not need the protection the other place traditionally provided them.

Given the fact that my colleague has had time to consider the proposal put forward by the Reform Party and has requested a widening of the terms of reference, just like the Official Opposition yesterday, is he also ready to add to these terms of reference to include consideration of our institutions and of some of our traditions?

(1245)

**Mr. Pomerleau:** Mr. Speaker, first of all, I thank the hon. member for his question. It is something we occasionally discussed together outside the House.

Indeed, the mandate could be widened to include the other place, an institution of a more traditional type which may not have all the required effectiveness in the legislative process.

It is clear that in Quebec we have been talking for a long time about abolishing the other place in order to reduce spending and to send the population a clear message saying that those who work here do so with full public knowledge and in an effective manner, and that the same cannot be said for the other place. This does not reflect in any way I am sure—and my colleague was right to make that very clear—on the quality of the people who sit in that chamber. I know, I spoke to a few of them on occasions.

I also talked occasionally with members of the Reform party, during conventions, and I was surprised to find out how much, on the whole, they believe in the need for cuts—deep cuts—in public spending. I believe that the way they speak in the House, even if it is a bit unusual at the present time, shows that have a deep desire to be real representatives of their constituents.

I am sure that Westerners, like other people, would be in favour of seriously studying the possibility of doing away with an institution which, at the present time, has only traditional duties.

**Mr. Bob Ringma (Nanaimo—Cowichan):** Mr. Speaker, I could say to my colleague that we agree on several points. We agree in particular when you say that we should try to save taxpayers money.

[*English*]

I would like to continue the debate on the motion on the Auditor General's report by reading two sentences to give it a bit of continuity.

On page 597 of the Auditor General's report it states:

We recommend that the department provide complete and accurate information to Parliament on the full cost of using government aircraft to transport users such as the Prime Minister, ministers, and other VIPs.

### *Supply*

It goes on to say further:

—the Department, in co-operation with other appropriate departments, should conduct a review of the economy, efficiency and effectiveness of providing government aircraft to transport such users.

I would like to continue the discussion of this proposal on the part of the Auditor General in a pragmatic vein. This is brought forward not just because of the news media talking about the Minister of Intergovernmental Affairs spending \$173,000 to make two speaking tours. I would like to go further into the background and say that this situation has been going on for years and years. The press always picks it up. It is as if it is a scandal to be flying around in jet aircraft.

Let us go back even further to my own experience in the city of Ottawa in another department, specifically national defence, some 15 or more years ago. I recall at the time feeling very upset when the government of the day offloaded part of its problems on to the Department of National Defence and said: "You fellows take over the running of these jet aircraft. You can take it out of your budget and you can run it and take the flack". I thought at the time it was dirty pool and I still think so today.

(1250)

What this underlines is that far too often its own politics override common sense. Politics seems to have the effect of saying: "We don't care how much it costs or who carries the load; it will go on".

The whole issue of the use of government jet aircraft, whether it is housed in the Department of National Defence or wherever, illustrates what is bad about government and politics. It also illustrates precisely why the people in our ridings are angry, why they have displayed their anger over the last couple of years and why they say this has to stop.

DND now runs 16 Challenger jets. Why were they purchased in the first place? It is not because 16 jets are needed to run ministers and the Prime Minister around the country and to foreign lands. It is done as a political gesture, let us say, to Canadair, to Quebec, saying it is just money so let us give them a contract and buy these nice Canadian products. We cannot afford to do that given the state of our deficit spending and the state of the total debt.

I am really talking about the attitude of government, not the current government, but all governments one after the other. The attitude seems to be, why not buy a few more jet aircraft, it just costs a few more millions of dollars. That is not good enough.

The Department of National Defence today is absorbing more cuts. It is being cut to the extent that it no longer has the resources required to continue the peacekeeping operations that Canadians and this government continue to expect of it around the world.

*Supply*

I am going to do a bit of very simple arithmetic. If three soldiers for one year cost, let us say \$100,000, how many soldiers could we get to reinforce the Department of National Defence where it needs reinforcing, in the front lines with private soldiers and not with general officers, by making a few cuts here or there? The Auditor General's report states that the maintenance of the 16 Challenger aircraft cost the government \$54 million a year. I am willing to concede and I think most members are that the government needs several jet aircraft to carry around the Prime Minister, a few VIPs and royalty. Let us accept that.

But let us cut down on the number of these jets. If we could bring down the maintenance costs of this jet fleet to around \$14 million we would save \$40 million a year. That \$40 million a year could be used for hiring soldiers at three per \$100,000, to give us 1,200 extra soldiers. Let that sink in a bit. We could have 1,200 extra soldiers for the cost of eliminating the maintenance and overhead of some of this fleet of jet aircraft.

(1255)

I take another view of this and say: "If I were in business, how would I look at it?" My answer would be: "I need several aircraft to do the things we have just discussed, such as squiring the Prime Minister around. That is legitimate". What are my resources for doing this? I would say: "As a businessman my resources are 16 aircraft, plus in an associated company, the Department of Transport, 101 aircraft".

That triggers me to say that if we have 16 aircraft, all of which we do not need, and 101 others of what sort I do not know in another department, there are probably all sorts of them to spread around. As a businessman I would rationalize all this, look at the inventory and cut down the numbers. We should keep in service only those that are absolutely needed.

The other factor I would consider, if I were a businessman or even if I were the government running this operation, would be the bad press. Every time a flight is taken—some are quite legitimate—one gets bad press. There is no sense in keeping up this nonsense. Get rid of them. Get rid of the bad press and get the people off our backs. The media caters to the people and tells all the nonsense. If I were a businessman or if I were the government of the day, I would look very seriously at this matter.

In conclusion, I recommend that the government look at this seriously, not just the Auditor General's report but the whole situation. It should pragmatically rationalize all of the aircraft being used by the government, sell some to get the cash the government needs for necessary programs, reduce the overhead of government and finally—and this is most important—change

the attitude of the government, the members and the bureaucracy toward the use of public funds.

**Mr. Morris Bodnar (Saskatoon—Dundurn):** Mr. Speaker, reference has been made by the hon. member to the saving of money and the efficiencies that are required. I do not believe that anyone in government disagrees with the hon. member.

If the Minister of Finance finds places where money can be saved, finds inefficiency, fills loopholes that are in our taxation system and thus accumulates more moneys into the treasury, would the hon. member consider that an efficient measure on the part of government or would he consider it a tax grab?

**Mr. Ringma:** Mr. Speaker, that is a pretty clever question. If the hon. member is expecting me to fully endorse the red book at this point, I am afraid I cannot. I do have some reservations.

To the extent the government of the day is moving to fill tax loopholes and bringing more revenue from sources now untapped, I totally agree. Let us have more of it.

**Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, I was very interested in the member's representation. He will acknowledge that many excellent measures have been taken by the government on issues that relate to government efficiencies and operations. I am surprised that in his comments he did not acknowledge the good things this government has done.

(1300)

I want to ask the member a question. Would he be willing, at the next Reform caucus meeting, to stand and encourage his colleagues to vote, as they have said in the past, according to what their constituents have to say? Would the hon. member tell me how many times so far the members on the Reform side have voted against the will of their leader?

What I am trying to say here is that charity always begins at home. I want to ask the hon. member to list for me the number of times that people on the Reform side have voted individually.

**The Acting Speaker (Mr. Kilger):** The hon. member for Ottawa Centre asks a very large question. I want to remind members that five-minute questions and comments can be rather brief. Keeping that in mind, the hon. member for Nanaimo—Cowichan.

**Mr. Ringma:** Mr. Speaker, I fail to understand the relevance of the question to my presentation on the saving of funds specifically related to the Auditor General's report. However, to try and answer the member's question in a general vein, he would almost ask me to raise the curtain on the Reform caucus and tell him what is going on there.

Let me assure the hon. member that our leader has just as much say, no more and no less, than the rest of us. When he speaking to us it is with a totally equal voice.

*Supply*

As to representing our constituents, that is precisely what we are all about. We do not have any more than any other political party the specific means of doing that yet. That is something we must work toward and I will personally work toward representing the people directly. We have to keep working on it.

**Mr. David Chatters (Athabasca):** Mr. Speaker, I rise in the House today to discuss the Auditor General's report, specifically chapter 11 of the report because of my responsibilities within my caucus and within the House of Commons. I will be speaking on chapter 11 which deals with the Canadian aboriginal economic development strategy, but more generally with the Auditor General's report dealing with the Department of Indian Affairs and Northern Development its and programs.

If one is to examine past reports of the Auditor General dealing with northern affairs and aboriginal affairs, going back some 20 years beyond the last government to include the Liberal government before that, the same criticisms come up repeatedly.

These criticisms are that the Department of Indian Affairs and Northern Development cannot assure the people of Canada that the examined program have a clear implementation strategy that is followed in the disbursement of funds or that funds dispersed actually go to the programs intended, that desired results of the programs are achieved and that Canadian tax dollars are spent with due regard for economy, efficiency and effectiveness.

Many of these criticisms are to arise from a confusion in the mandate of the department, it would appear. The dilemma appears to be one of reconciling accountability to Parliament with the transfer of responsibilities of managing funding to aboriginal programs to aboriginal bands through a number of funding arrangements.

As far back as 1986 the Auditor General expressed concern whether the department was accountable for ensuring social and economic gains to aboriginal people or was simply responsible for ensuring the equitable distribution of financial support as native groups pursued their own objectives.

This confusion is still evident today in the implementation of the Canadian aboriginal economic development strategy. This one program was initiated by the Government of Canada in 1989 to address the economic disparities between aboriginal peoples and other Canadians. The overall objective of the strategy is to help the aboriginal peoples to attain economic self-reliance.

The strategy from 1989 to 1993 spent at least \$900 million of an appropriated budget of \$1 billion. According to the Auditor General the three departments responsible for implementing the program are unable to demonstrate that they are meeting the strategy's objectives.

(1305)

The auditors were unable to find any co-ordinated implementation strategy and instances were observed in which funds were disbursed for projects before the required business plan documentation was received. There was consistently no evaluation of the projects to see if objectives were being met.

The Department of Indian Affairs and Northern Development disbursed funding on a per capita basis regardless of the level of economic development within the bands, again demonstrating the conflict between the department's accountability and the devolution of responsibility to Indian bands.

The department could also not demonstrate any follow up assessment of the success of the projects funded with taxpayers' dollars. Upon examination of the projects by the Auditor General the projects examined had a success rate of 50 per cent or less in meeting their objectives and one has to ask if this is good value for the dollars invested.

With this particular program as with many other programs administered by the Department of Indian Affairs, if the Canadian taxpayers are to continue to fund it a number of very important questions need to be clearly answered.

These questions could regard the actual benefit that has resulted from these policy initiatives and whether these activities achieved value for money. Did these policy initiatives take into account aboriginal priorities or could these funds have been used differently to generate greater benefit per dollar spent? Is there a more cost effective way to achieve the same results? What is the definition or criteria to judge when a program is a success or failure?

It is clear we need a thorough review of the mandate and the responsibilities of the Department of Indian Affairs and Northern Development. This is particularly pertinent in view of the commitment by the Liberal government in its red book to implement native self-government beginning within six months despite the fact that Canadians and most aboriginal people do not agree specifically with what that term means.

I support, as does my party, the move toward aboriginal control of aboriginal affairs and the eventual dismantling of the Department of Indian Affairs and Northern Development. However, I will not accept that Canadian taxpayers, through a misappropriate sense of guilt, continue to throw huge amounts of money into aboriginal programs without accountability or assessment of the success of these programs.

While aboriginal leaders need only be responsible to aboriginal people for moneys and programs received through economic development established within the bands, these aboriginal leaders or the department or both must be totally accountable for

*Supply*

every taxpayer dollar spent, particularly in this time of scarce resources and enormous deficits and debt.

Neither my grandfather nor my father nor I am responsible for the atrocities endured by the aboriginal peoples perpetrated by the governments and churches of England or the governments of Sir John A. Macdonald and Mackenzie King. I believe that present day Canadians and their governments are demonstrating a real willingness to address the problems within the aboriginal community and will continue to do so.

However, at a time when working Canadians are giving well over half their income earnings to governments in taxes while at the same time the very fabric of our social safety net programs are being threatened by high cost and enormous debt, we have every right to demand full accountability and value for every dollar governments spend.

**Mr. Bernie Collins (Souris—Moose Mountain):** Mr. Speaker, I commend the hon. member from the other side on his observation on what was in the Auditor General's report.

As part of what has transpired over the years, around 1970 if one were to find out how many students of native ancestry completed a university degree, the number was somewhere in the neighbourhood of 12. We now have over 6,000 people of native ancestry who are proud to have completed university degrees.

The reason they did that was they wanted to move forward in this opportunity for self-government.

(1310)

I had an opportunity to meet with some of the bands recently and I can assure the House that the bands in my riding do know what aboriginal self-government means. They are headed in the right direction.

I have some concerns, as the hon. member has mentioned, about the Auditor General's report. It is one thing to write out in a report what the concerns are and another thing to see what is actually happening and then put those into practice.

On behalf of the Government of Canada, with Mr. Ron Irwin as our new minister in charge of Indian Affairs we are going to see the direction change very drastically.

I would ask the member on behalf of the constituents I represent if he feels that the budgetary process that we have needs to be overhauled? What recommendations is he prepared to make that he would see put in place through his members on the standing committee that is going to be reviewing those budgets?

**Mr. Chatters:** Mr. Speaker, there were a number of questions within the hon. member's response and I will try to remember them and answer them as I go.

Certainly there has been great progress made within aboriginal communities in the directions he points out. I applaud those gains that we have made. The point I was trying to make in my presentation was that with each and every one of these programs we have to be able to assure Canadians that the best value was gained for the dollar spent. Certainly while each program makes some progress toward its goal, was enough progress made to make the dollar spent worth while?

Some suggestions we might make to improve the accountability of those dollars are very much the same as what was pointed out in this particular chapter of the Auditor General's report, that the evaluation procedures the Auditor General spoke of be put in place to evaluate the success of the programs that have been implemented. In this way the minister, or the department through the minister, might come back and be able to assure this Parliament and all Canadians that they are getting value for the dollars spent and that we are achieving the results we are trying to achieve.

**Mr. Robert D. Nault (Kenora—Rainy River):** Mr. Speaker, I find the member's statement somewhat interesting about aboriginal affairs and self-government. I wanted to ask him if he could clarify two details for me.

The first issue is the one in our red book that deals with the inherent right to self-government, which means we recognize as non-natives that there were treaties signed and those treaties suggested that these were self-governing people before Europeans came. I would like to know whether the Reform Party agreed with that.

My second point is if it agrees or disagrees, that not really being the issue, would he also be prepared to tell me, given a system that at present does not work for aboriginal people and for non-natives, and it has been agreed by both sides that that is the case, why he would not want to see a concept of self-government put in place? This is not easily defined because in each community and each region it represents different things to different people.

Would he also not agree that aboriginal people are not homogeneous people, that they are of different cultures and they have different traditions and because of that self-government cannot be that little catch phrase that he seems to be looking for?

I would be interested if he could give me his opinion on those particular issues because my sense of it is he is suggesting that because he does not have a definition of self-government across Canada, we should do nothing.

**Mr. Chatters:** Mr. Speaker, certainly the member might have interpreted my presentation that because we cannot get one little definition of self-government we should do nothing. Our party and I have asked the minister and his government to define for us what in their opinion inherent right means. To this point at least we have not received an answer to that question. If we did then

we could make a better judgment on whether we support the concept of aboriginal inherent right to self-government.

(1315)

I personally support and I think my party supports the devolution of responsibility for aboriginal affairs to the aboriginal people themselves. I am saying that we should not throw huge sums of money at the problem and have no accountability for those dollars and then say we are solving the problem and devolving that responsibility. When we spend taxpayers' dollars we have to account to the taxpayer for those dollars, whether it be the government or the aboriginals who are administering that program. That is what we and all Canadians are demanding, not that the devolution of power and responsibility does not take place.

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment):** Mr. Speaker, I am pleased to join in the debate today in particular because the motion put by the member for St. Albert does deal with specific initiatives of the Ministry of the Environment. Also, what we are seeing as a result of the analysis of this motion is that the Reform Party members are starting to understand after the first 100 days in Parliament that governing a country as diverse and as multilayered as Canada is not as easy as it looks from the outside.

I refer in particular to the motion which of course calls upon all ministries to justify the issue of overexpenditures and duplication. Indeed, with regard to the Auditor General's report to the Ministry of the Environment on pulp and paper regulations, we were not only cognizant of his criticism but we had already responded very specifically by working on harmonization agreements with various provinces.

One thing I learned very quickly. I spent a lot of years in opposition and not too many days in government, but I think the Canadian public wants to know that politicians are doing their level best keep costs down and to deliver a service that is going to make sense to all Canadians.

If we look at environment, there was no such thing as environment when the original Constitution was written back in 1867. We took it for granted. In fact public attention and carriage of and concern for the environment has really been a phenomenon of the last two decades.

Ironically, later on today I am going to be meeting with a person from this particular Chamber who was at the forefront of environmental concerns. He is now the Canadian ambassador on sustainable development. As the Speaker of this place he introduced a list of measures for the House of Commons which made the House of Commons assess and analyse our environmental behaviour.

Mr. Fraser, the former member for Vancouver South, started before it was particularly fashionable to analyse how it is that

### *Supply*

our own behaviour is affecting our environment. He took styrofoam cups out of the House of Commons and replaced them with recyclable china. He made us look at how we were separating waste in this place. It is the wish of the Ministry of the Environment to take the signal that was put out by Mr. Fraser in this place, the House of Commons, and make it serve as a model for government.

The House of Commons is a very complex labyrinth which not only includes services to members but employs about 4,000 people. In the overall work of the government it is one small player. In fact, from my department I know that there are people across the country who are driving vehicles that are not environmentally friendly. If we are saying to the private sector "We want you to go green", then clearly the impetus and the direction for that has to start from within.

A legitimate question can be asked. Why is it that on the issue of pulp and paper we have more than one government dealing with regulations? In the evolution of business, federal and provincial governments have each taken responsibility in a number of areas. Water quality is not just a federal issue. In fact I think the member would be raising objections, one could say raising Cain, if we as a national government decided that there was no more role for provincial governments to play in terms of the purity of our waters.

(1320)

Not only do we have a provincial role to play but we have an international role. Only two days ago I was speaking with the administrator of the Environmental Protection Agency of the United States on exactly what we were going to do in terms of bilateral decisions to clean up areas like the Great Lakes, to look at the whole question of what is dumped into the St. Lawrence River, and to examine the question of transborder movement of waste.

We have local initiatives, provincial initiatives, national initiatives and international initiatives. That is why to the taxpayer it may look like we are sometimes running around doing each other's jobs but I think everyone would recognize that no one government can bear the total responsibility for the environment.

Look at the question of air. Probably one of the most poignant moments that I have experienced as a member of Parliament was a trip I took several years ago to Broughton Island which is part of the vast Arctic. On that trip I had an opportunity to meet with aboriginal women who had been advised at that time by the federal department of health that tests had shown that their breast milk was tainted with PCBs. Members cannot imagine, flying into a more pristine virgin untouched area of the world and on arriving there have a meeting with town council to deal with the issue that the mothers' milk in that part of the country



*Supply*

was tainted with PCBs. You had to ask yourself the question: Was that a local issue?

Obviously it was not a local issue. The PCBs were being carried by air currents, not only from Canada but from parts of industrialized North America and because of wind vortexes with which I am not familiar they found themselves in a particular concentration in the Arctic. There were situations where in some cases these women were actually feeding their children Coffee-mate because the cost of milk at that time was \$8 a litre. They did not have the money to buy a litre of milk and they were afraid to feed their babies with their own breast milk. That is why when one talks about environment issues it is not so easy to compartmentalize them as maybe one would like to think.

The world is a very complex place today. I think we have a responsibility as a national government to work internationally, provincially and locally to try to develop the cleanest environment possible.

A member of the Reform Party asked a question earlier today on the issue of the environmental assessment of a particular project on a ski hill. He asked about the business interests. That is a legitimate question. Obviously when we are talking about a virgin part of the country for which there is going to be significant development we have the interests of the business people who have invested in the project as well as the interests of the local residents who obviously have to balance the land use questions with larger questions of the whole question of biodiversity.

We have the provincial questions about how a province can maintain the integrity of the environment, deal with the issue of endangered species and provide significant terrain for wildlife. We also have the national and international issues.

If from time to time we trip over each other, as we will do, I think the message of the Auditor General has to be that it is not with malice or forethought and that we should be working as hard as we can to streamline the process to make it work for the taxpayer and also to underline our role as the guardian of the land, the sea and the air for future generations.

[*Translation*]

We are working very hard on this aspect, and based on negotiations that are taking place with my Quebec counterpart, Mr. Paradis, I expect we will soon be able to sign a one-stop agreement which could apply to pulp and paper regulations. This is very important, because I realize companies do not want two inspection teams on the same river at the same time. However, I think we should also realize that with our overriding responsibility to keep this earth for future generations, there will be differences of opinion from time to time.

(1325)

Are megawatts better than negawatts? Are international issues involved?

[*English*]

Only a few days ago the premier of British Columbia was in Europe looking at our environmental record from the perspective of the European Community. There are international market forces which want to analyse whether we are doing our job in land use management. Do we have proper mechanisms for clear cutting? Are we in fact respecting the question of effluent discharge in pulp and paper mills? Do we have laws that are stringent enough and are we respecting those laws?

That is what politics are all about. It is the coming together of divergent views and the balance between the immediate needs of economic gain with the long-term needs of sustainable development. One of the great initiatives of the 1990s is going to be a recognition that environment and economy are not opposites, they are not enemies. In fact, they are inextricably linked.

Premier Harcourt is in Europe now, not because he is necessarily a great defender of the environment but because world forces are coming together to analyse the green record of every country. Premier Harcourt wants to make sure that the Europeans are apprised of all the facts before they make decisions which could have significant repercussions for the Canadian economy.

[*Translation*]

I think the same thing is happening in the case of the Quebec government's involvement in the Hydro-Québec contract with New York. It is not enough to work hard to have a clean environment. The international issues are there as well. Are we prepared to meet the immense challenges of the twenty-first century with sound and sustainable environmental technologies?

[*English*]

There is an economic consideration. In fact, as we speak we are following the advice of the Auditor General to meet, to consult, to get our act together and to ensure that business is not overburdened with overregulation but at the same time we meet our bottom line of being the stewards of the environment for future generations.

When I got into this job in my department I had no idea how on any given project, on any given decision, there is not only the question of seeking interdepartmental information but also the responsibility to ensure that you are not treading on somebody else's constitutional toes.

I think the members of the Reform Party and I know, having had the opportunity to meet and to dialogue with some of them in terms of our shared environmental objectives and hopefully being exposed to reality, that governing a country as vast as

Canada is not as simple as one would like to pretend. There are no hard and fast solutions. We will make mistakes. That is why we ask the Auditor General every year to review our record and to make recommendations.

The opposition motion by the member for St. Albert which calls upon the government to demonstrate its commitment to accountability is a process that is built into what we call the estimates. Every year in this Parliament every member of Parliament has the right to call the ministers of this government before their committees to call them into account on expenditures.

That is the function of the committee on estimates and that has to be done before June. That is part of the law of the land. Sure we screw up. Sure we make mistakes. I dare say I have made a few of them in my time and I will probably make a few more from time to time.

**Some hon. members:** Oh, no.

**Ms. Copps:** I think Canadians want to know that we are doing our level best to acquit ourselves of our responsibilities and at the same time meet the test the taxpayer is putting us through. An awful lot is said about public servants, that public servants waste money and do this and do that.

(1330)

In my department I have had nothing but absolute co-operation from the people who are there to discharge the government's mandate. Public servants are not the people who create the policy. They are there to implement it. They work nights and weekends. They do not close the door at 4.30 p.m. because the public phone lines are not open. They are there working on everyone's behalf to try and move the process forward.

I spent a couple of days in Saskatoon at my very first meeting of Canadian ministers of the environment in November. I spent about an hour on the phone yesterday with the chairman of the CCME, Jane Barry, the new Minister of the Environment from New Brunswick, who is getting ready for the next meeting. I expect I will be meeting with my provincial counterparts in March to pave the way for further harmonization and further consultation on the process of making our regulatory system work.

While we are in this House there are bureaucrats who are dealing with air issues. There are public servants who are dealing with the very complicated issues of who controls the waterways. It seems very simple. One goes to Saguenay.

[*Translation*]

Look at the Saguenay, which is definitely part of the province of Quebec. I would like to digress at this stage and say I would have liked to see the environment critic here, because yesterday, Mr. Chrétien referred to the Irving Oil case, and said that if that had happened in Hamilton, the matter would have been settled. I

### *Supply*

can tell him it will be settled, and just because it was not settled before does not mean they were right.

If I throw something into the Bay in Hamilton, it goes through Lake Ontario and into the St. Lawrence, and then into the Atlantic and international waters. If we look at the cod shortage, we may have a good conservation program. We even went so far as to prohibit all cod fishing in Canada. But if the French, the Spanish and the Portuguese catch our cod, what is the use? So, although it would be very easy to say that the Saguenay is in Quebec and that is final, if we do not harmonize regulations at the federal, provincial and international levels, part of the river may be clean as a whistle, but toxic waste can still get in from other areas.

That is one of the reasons why I believe the environment unites us as a people.

[*English*]

Whatever language we speak, when it comes to the environment we are inextricably linked. What I throw into the water of Hamilton harbour ends up in the drinking water of the lower St. Lawrence. What happens to the belugas? It is not just a function of how they are dealt with at that particular point of the river, but it is a function of the cumulative effect of toxins which could start all the way up in Lake Superior and find their way through the system.

On the one hand it is very simple to say: "Get out of my jurisdiction. It is my ball of wax. You should not be in there". On the other hand when it comes to the environment, when it comes to the air we breathe, when it comes to the water we swim in and when it comes to the land we live on, we are our neighbour's keeper. As much as we try, we will continue to have irritants and areas of discussion and disagreement.

To follow the advice of the Auditor General, our objective must be to be as efficient and effective as possible, bearing in mind that in a world as complex as the one in which we live there really are no easy solutions. For every point there is a counterpoint.

[*Translation*]

Every position has its opposite, and it is up to the government to try to find a reasonable solution that is fair to everyone. I think that so far, even if there have been problems, we have done a pretty good job. We want to go on doing that, but I think all members of this House must realize that living in a country like Canada is not always easy.

(1335)

[*English*]

We live in a country that is very large and diffuse.

[*Translation*]

**Some hon. members:** Hear, hear.

*Supply*

**Ms. Copps:** It is not easy, but it is worth it.

**Some hon. members:** Oh, oh.

**Ms. Copps:** It is not easy, but it is worth it, and do you know why it is worth it? Because when I see my brother living in French, in Montreal, with his wife and their daughter, who speaks French, the daughter of a man born in Hamilton, I think to myself our country works.

It is worth it because for someone like myself, who never heard a word of French before the age of 13, to be able to come here and voice the wishes of the Saguenay people, is fantastic. Likewise for my colleague opposite, the leader of the New Democratic Party. When we get to know each other, as we are in this House, then we realize how great this country is. It is really worth it.

We do have a problem though, and that is that our country is so big that people do not know each other. But should you come to Hamilton, I can guarantee that you will be greeted by friendly and welcoming people.

[*English*]

It is the same thing for people from the west. One of the biggest problems in understanding government and in understanding Canada is that we do not know each other. Maybe one of the benefits of this rather unusual configuration in the House of Commons is going to be that as Canadians we will start to understand the things that bring us together.

I can say that the people who work in the steel mill in Hamilton who are concerned about their jobs, who are concerned about their children's future share the same hopes and dreams and the same concerns about a balanced economic and environmental approach as the people in the riding of the Minister of Finance or those in the riding of Lévis.

[*Translation*]

They are waiting for jobs at MIL Davie.

We share the same wishes, the same hopes, but at the same time we recognize that governing a country is not an easy job. I think that all we can do is our very best to try and harmonize our efforts, when we can, and when we cannot, to try to be honest with each other. That is all people are expecting of us. I think that the Auditor General's report leads us in the right direction.

It is good that you are here to keep us on the right track.

[*English*]

**Mr. Myron Thompson (Wild Rose):** Mr. Speaker, my congratulations to the minister for some fine words. It is very obvious her heart is with Canada. I would like the minister to know that is where my heart is also. I am sure we could agree all day on that.

I heard her mention something about the economic factors and the environmental factors, how they tie together and how they are so important. I could not agree more.

Having lived in the Rocky Mountains all my life I love the Rocky Mountains probably more than most. Looking at a development such as was talked about earlier today in question period and thinking about the financial difficulties the country is in, I realize the Liberal government of the 1970s and early 1980s struck a FEARO panel and arrived at a decision. The Conservative Party came along and struck another FEARO panel. It did a very thorough study and came to the same agreement that the project was good. The provincial government intervened and did its thing. The municipal government intervened and did its thing. All this went on for a very long period of time. I see the importance of working together for this kind of project and really appreciate it.

Having been a member for only 100 days and getting word that there is going to be another FEARO panel struck, my immediate reaction is that we are wasting dollars on something which has already been accomplished. I have heard over and over again how it is so necessary to work together to arrive at these decisions.

(1340)

For the last two weeks I have sought meetings with the Minister of Canadian Heritage to no avail. I have sought meetings with the Minister of the Environment in her office to no avail. I am wondering how we are going to be able to work together if as a member representing my riding of Wild Rose I cannot get a hearing with the ministers responsible for these things.

**Ms. Copps:** Mr. Speaker, maybe I was not at the same meeting but I did have a meeting with the member in the anteroom which is as good a meeting room as any. In that particular room I said the panel was struck.

The fact is that if the EARP guidelines had been met in the past there is no forum to strike a second panel. A proper panel was not struck in the past and it has not been subject to environmental review. The review panel has now been struck. In very short order the membership will be published and the hearings will begin.

I think the member for Wild Rose will also admit that in talking about the issue in question which is a major ski development, the developer not being able to receive proper environmental approvals for the whole project, basically cut the project in half and tried to get approval for the parking lot separate from the lifts. We think it has to be looked upon as an integrated package.

We have called for a panel to be struck and the panel will have to do its job. Obviously it has to be done in the context of the environmental implications. We would be remiss if we basically said that this particular person has invested a significant amount

of money and therefore it has to go ahead without any consideration of the environmental implications.

The hon. member will recognize that if the environmental concerns had been met obviously we would have no authority to strike an EARP panel. The fact one is being struck is because there has not been a proper environmental assessment.

We are doing what we have done in the past. We did it most recently with the federal–Saskatchewan panel on uranium mining. We are doing it with BAPE wherever possible. We are trying to facilitate the process where federal and provincial interests intersect. We are trying to run joint panels to make sure we do not put the developer and interested parties through the same process twice.

That has certainly been the practice I have established and want to continue. From that perspective we only want one stop shopping for environmental hearings. We do not want to put a project through a provincial hearing and then a federal hearing and have a number of hearings.

That being said we certainly are not about to give up our right to require an environmental assessment on an issue as significant as a major ski development in our national Rockies. The member points out that this is on the parking lot but the parking lot is going to be there for something. If the parking lot is being built to park cars, obviously there has to be a ski hill to go along with it.

[*Translation*]

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, first of all, Madam Minister, let me congratulate you on the lovely clothes you are wearing today. We were used to seeing you always in scarlet red and today you are wearing blue, which suits you very well. For the members around you, we hope that next week you will not change your red book for a blue book.

Outside of the debate on the resolution related to your observations, you said that it was difficult to live in this country. We applauded and you added, “It is worth it”. We in the Bloc have rather concluded that there were two countries in this country and that it was worth building the one which does not yet exist as a separate country.

The fact remains that these are two points of view which we do not share, but they are basically honestly held on either side of the House.

You said that it was not easy and you also referred to consultations, but with reference to the resolution, you even spoke of possible agreements to reduce overlap, and I congratulate you if such agreements can come about—

**The Acting Speaker (Mr. Kilger):** Order! I would simply remind the hon. member for Richelieu and the House to address your remarks to the Chair and not directly to the person to whom a question is put.

### *Supply*

**Mr. Plamondon:** For a young Acting Speaker like you to warn an old member like me, Mr. Speaker, I see that you have already learned your job well and I will make a point of complying with your directives.

Mr. Speaker, the minister spoke about a possible agreement with the pulp and paper industry and I commend her for that, because we denounce this continual duplication and overlap, we denounced it during the election campaign and we still denounce it continually here in the House. Our resolution for the opposition day yesterday talked about precisely that. Today, I think the Reform Party’s resolution may be more specific and less broad but it also talks about eliminating this wasteful spending due to overlap.

(1345)

In my riding, I saw overlap during the big debate about the closure of Dioxide Canada. The provincial government had environmental standards, the federal government had environmental standards, one said something was white, the other that it was black, so much so that the company did not know just what to do. Furthermore, Fisheries and Oceans Canada also came on the scene, with the result that the company that had planned to close in Tracy and open in Bécancour decided to suspend the work in Bécancour, temporarily, I hope. This is a fine example of wasted energy, time and money, to the detriment of the 400 Dioxide workers.

I would like to conclude, Mr. Speaker. The minister did not mention it in her speech this morning and we were surprised by a statement from the member for Ottawa—Vanier, former chairman of the public accounts committee. All day yesterday, the Liberal members said, “Why do you call for a special committee of all members of the House to study the spending of every department item by item?” They told us, “No, the public accounts committee will look after that. That is its role”. This morning, the member for Ottawa—Vanier, a former opposition member who chaired the public accounts committee for three years, as my colleague reminds me, and I conclude with that, Mr. Speaker, told us, “We made a report, but the House never acted on it in three years”. So the public accounts committee has become something of a habit—it tables a report and no one acts on it. That is why we are demanding—and I think it is along the lines of the Reformers’ resolution—a special committee of members from the government and all parties, including independents, to carry out an exhaustive item-by-item study of all spending by the departments. I think that the government’s commitment would be greater, out of respect for the conclusions this committee would have reached. It would elicit a greater commitment than the usual annual report of the public accounts committee, which was denounced this morning by the man who chaired it for three years, the member for Ottawa—Vanier.

I would like to have the minister’s comments.

*Supply*

**Ms. Copps:** Mr. Speaker, without commenting on what the gentlemen opposite are wearing, I would like to point out that the hon. member was himself a Tory and that, since Tory blue has gone out of style in this House, I now feel more comfortable wearing blue.

That being said, if the government he was a member of did not take good care of public accounts, why did he not do something about it when he was a government member? When we are preparing estimates—not just public accounts, because there is a process that includes public accounts—of course, the opposition can chair the Public Accounts Committee, but there is also the budgetary process where you can call any minister on any expenditure on any committee. I for one have just signed our estimates for the year to come and we must be held publicly accountable for these expenditures. So, there are not only public accounts but also estimates and I am sure that in this new era of liberalism in government much closer attention will be paid to constructive criticism from the opposition regarding government spending.

[*English*]

**Mr. Jim Abbott (Kootenay East):** Mr. Speaker, I would like to repeat the supply motion of the Reform Party:

That this House call on the government to demonstrate its commitment to accountability and to the efficient and effective use of public funds by reporting to the House, no later than the first week of June each year, what measures have been taken by the government to address unresolved problems identified by the Auditor General in his report such as—

I go to our subclause (f):

that the Minister of the Environment address the duplication of regulations between the federal government and the provincial governments regarding the pulp and paper industry—

I believe many observers of the House of Commons agree that Reform Party members have brought a constructive approach to all matters before the House. We have led the way in the establishment of a very direct formula. We look at the good and compliment; we review areas of concern and define them; and finally we work to create a positive response with an attitude to making the process work.

(1350)

First let me commend the Minister of the Environment for her exhibition of an attitude of co-operation and her expression of a desire that all members of the House of Commons have access to relevant information and the ability to dialogue with officials in her department.

I also wish to compliment the deputy minister and the assistant deputy minister on their recent interview with the Standing Committee on Environment and Sustainable Development. As one of the two Reform MPs on the standing committee

I was very impressed with their very forthright and business-like attitude and look forward to working with both the minister and her officials.

As the member for Kootenay East I am acutely aware of the environment. I have in my constituency Glacier National Park, Yoho National Park and Kootenay National Park. My home on Wasa Lake is only five miles from Crestbrook Forest Industries pulp mill at Skookumchuk and as a consequence I have a great sensitivity to sharing a pristine wilderness with a large industrial production facility.

I am pleased to report that in total Crestbrook Forest Industries has exhibited a very responsible attitude toward its potential liability to the environment. In fact it has just completed a \$200 million project which responds directly to concerns about pollution.

Crestbrook, along with other members of the pulp and paper industry, come under regulations put forward by both the federal and provincial governments. I know from casual conversations with various people in the industry that the duplication of regulations between the two levels of government regarding the pulp and paper industry has been frustrating at times. I refer specifically to the Auditor General's report on the duplication of regulations.

We are concerned about attracting international investment and creating a climate of confidence for the domestic investor. There is nothing that scares capital more than the unknown. Investors must have the security of knowing what the rules of the game are going to be.

Learning from history I note in paragraph 26.37 of the Auditor General's report that:

The January 1993 report of the Sub-committee on Regulations and Competitiveness of the House of Commons Standing Committee on Finance criticized the Department for not assessing the benefits of regulations.

It continues:

—a commitment of \$4.1 billion in resources, with no apparent sense of the magnitude of the benefits, was not reasonable.

That is a commitment of \$4.1 billion in resources being thrown into the unknown.

The Auditor General continues:

The data to assess the effectiveness of the regulations, including long-term impacts, are expected to come eventually from the Environmental Effects Monitoring Program.

I ask that members to note the words: “are expected to come eventually”. In the next paragraph the Auditor General states:

The Environmental Effects Monitoring guidelines and program continued to be developed after the regulations were passed.

I draw to the attention of members the words: “continued to be developed”. He continues:

In early 1993, the industry expressed concern that the program was still evolving and that its final scope and costs to all were not yet fully defined.

I note there again the word evolving. From this instructive lesson we can see why the investor in Canadian business has some serious concerns about the application and impact our laws and regulations bring to our desired direction.

The Reform Party believes there must be a balance in which environmental considerations carry equal weight, that they do not overpower economic, social and technical considerations in the development of any project. We believe that without any economic development and the income generated therefrom the environment will not be protected nor enjoyed.

Overlap of enforcement is an additional problem. For example, I am aware of two recent cases in British Columbia, one involving Weyerhaeuser's Pulp Mill at Kamloops and the other at Howe Sound Pulp and Paper on the coast. As a result of effluent spills, both federal and provincial agencies felt obliged to take legal samples. A couple of days after the provincial government regulators turned up, the Department of Fisheries and Oceans felt obliged to use a search warrant to obtain information and repeated the process already completed by the provincial government.

(1355)

There are also redundant regulations. As an example, at the federal level there are two regulations under the Canadian Environmental Protection Act affecting the pulp industry which deal with the use of defoaming agents and pentachlorophenol contaminated wood chips. Both these regulations were introduced to control potential sources of dioxins and furans in the pulping process. Pentachlorophenol is no longer used by the sawmilling industry and therefore this regulation is redundant. The petrochemical agency has cleaned up the oil based defoaming agents, making the second regulation also redundant.

New initiatives under federal fishery regulations require pulp mills to do environmental effects monitoring at a cost of \$150,000 to \$200,000 a year per mill and there is little or no confidence that the results will be scientifically meaningful. It is a case of collecting information for the sake of having the information, with no apparent value but at very high cost to the industry.

In the spirit of co-operation, I know the environment minister is aware there are federal-provincial environmental agreements that have been drafted and reviewed by senior level bureaucrats at the federal level in co-operation with the provincial ministries of environment in B.C. and Quebec. I understand early drafts have also been developed for Ontario and Nova Scotia. They are very close to conclusion.

### *Supply*

In light of the government's much quoted red book position on the elimination of duplication and overlap of federal-provincial services, I ask the minister to push the various buttons required to get the agreements completed. The minister today acknowledged these agreements are pending. I am asking for priority to expedite completion.

I will be sending a copy of this speech to the chairman of the Standing Committee on Environment and Sustainable Development to indicate that I will be raising this issue with a view to having the committee encourage the early completion of these agreements. This is a no cost way of enhancing efficiencies in the application and enforcement of regulations, thereby reducing the cost to industry.

In addition, I will be circulating copies of my speech to all interested parties in a spirit of co-operation to assist in the creation of a positive working relationship with an attitude of making the process work. I invite constructive criticism and input, especially from industry, to the suggestions I have made today.

As stated, Reform Party members are striving to bring a constructive approach to all matters before the House. However, as indicated in our supply motion, it is imperative that the Minister of the Environment, not later than the first week of June each year, deliver to the House a report outlining what measures have been taken to address the unresolved problems identified by the Auditor General. As he chose to focus on the issue of pulp and paper regulations, identifying specific deficiencies, we anticipate that the minister will respond positively to this most reasonable position put forward by the Reform Party.

That kind of response will clearly demonstrate the government's commitment to accountability to the House and, through it, to the people of Canada.

**Mr. Harold Culbert (Carleton—Charlotte):** Mr. Speaker, I listened with interest to the hon. member's presentation.

Just a very quick question. I wonder if the hon. member considers his party and himself the only members in the House interested in the well-being of people, both financially and otherwise, right across this country. I am sure that was not his intention but that was certainly the impression he gave.

I have had conversations with members from all regions of this great nation of ours, as well as from all political parties represented here. First and foremost their interest is in their ridings, their constituents and certainly in the welfare of this great nation of ours.

(1400)

I want to point out to the hon. member that we on the government side will be asking those very same questions of our ministers and will continue to. We want to assure members of

*Supply*

the Reform Party and the citizens of this great nation that government members are responsible and interested in every government department and will continue to be.

**Mr. Abbott:** Mr. Speaker, I appreciate the comments of my colleague on the other side of the House. I in no way intended to imply there was anything less just because they unfortunately happen to be Liberals as opposed to Reformers.

What I am really trying to say is there is a creeping agenda, not necessarily within the Liberal Party or the Bloc Québécois or any other party, but there seems to be a creeping agenda in Canada. I cite as an example the one my colleague from Wild Rose has raised where an ongoing process keeps on being stymied by environmental concerns. It is as though a group of people simply will not take yes for an answer.

The difficulty I am having in understanding this is that we can keep on using environmental considerations as a road block rather than an effective way to control all of the areas of concern that we have. Environmental considerations are frequently put up as road blocks to be able to proceed with responsible and reasonable industrial objectives.

**Mr. Robert D. Nault (Kenora—Rainy River):** Mr. Speaker, I am quite intrigued by the flow of the Reform Party so far in this particular issue. I would like to follow this up with the member.

The hon. member can correct me if I am wrong because I am trying to read into what he has said so far. He is suggesting the regulations we have in place are not working. He also has the interesting suggestion that all the regulations we have in place are there for some motive not considered acceptable to the Reform Party and that is to do nothing but delay and stop economic development or business.

Even though there are times when he personally disagrees with the decision made on behalf of the environment, would the hon. member overlook his own particular interests? In the case of his colleague from Wild Rose for example, would he agree there are times and situations where the overall good of the environment takes precedence over his own individual interests as a politician and maybe those of his constituents?

**Mr. Abbott:** Mr. Speaker, again in no way did I intend to imply that all regulations are bad. Of course there have to be regulations. What I was suggesting in my response a minute ago is the fact that very frequently people who are opposed to an approved project will find some other way of thwarting it by using regulations.

With respect I ask members of the House is it responsible, is it rational, is it reasonable? I quote the Auditor General when he says there were \$4.1 billion invested by industry in regulations

that were duplications, in regulations that were changing and regulations that were suspect.

I cite as an example, not necessarily federal regulations although they relate to provincial regulations, in the province of British Columbia some bright light decided we were going to be having zero as the level we had to achieve on a particular contaminant that was coming out of the pulping process. This figure was arrived at from the blue sky as it were.

Industry has invested countless hundreds of millions of dollars trying to achieve this and we now discover it is not necessary to achieve it. Should we now be paying back the industry? We do not have the resources to do that.

(1405)

**Mr. Herb Grubel (Capilano—Howe Sound):** Mr. Speaker, the Auditor General noted last year that CIDA, the Canadian International Development Agency, spent about \$3 billion. It has spent similar amounts during the last 25 years of its mandate. Bangladesh alone has received over \$2 billion over the last 25 years. The Auditor General notes that the people of Canada are asking whether this money has been spent wisely and whether they are getting a good return on their taxes.

I have a weak spot in my heart for CIDA. In 1978 I lectured and did research at the University of Nairobi in Kenya. My salary and my family's moving expenses were paid by CIDA through the University of Alberta which administered the program of technical assistance under a contract from CIDA. My housing expenses in Nairobi were met by the Government of Kenya.

My personal experience illustrates some of the difficulties which the Auditor General found to exist with CIDA programs more generally.

CIDA had a very tight control over the design and delivery of the technical aid program or what might be called the input. The University of Alberta had worked closely with the University of Nairobi and the Government of Kenya in the determination of the role which Canadian professors would play in the teaching program and development of an effective business curriculum. There was also much care taken in establishing my suitability for the task in preparing me for the problems I was likely to encounter.

As many critics, in particular the Nielsen task force report of government spending programs, have noted, input control and accountability are the easy parts. The difficult part is showing that spending has achieved specified goals and that the investment has yielded the expected rate of return. Let me illustrate the problem, again by reference to my own experience.

I look proudly back on the services I delivered in Nairobi. There were the large courses I taught, the research papers I wrote and published, the students and faculty I induced to go on

to graduate work at my university and the influence I have had on the public discussion of the government's economic policies, including an invited lecture at the School for Kenyan Civil Servants.

What I do not know and what has plagued me ever since my experience is whether the positive things I accomplished were worth the money Canadian taxpayers invested in the project. I do not know that I or anyone else could make such a calculation, even with large resources and the best of will. Nielsen noted that the inability to do so is exactly at the heart of the problems which many Canadians have with their government.

However, as Nielsen and the Auditor General noted, not all government programs have non-measurable outputs. Roads, water works, factories and other tangible projects fall into this category. It is with these that the Auditor General has found particular problems. The most important of these, repeated a number of times in the chapter, is that some have been undertaken at great cost and have failed to deliver the expected benefits because the host government did not have the resources to continue its operation or even maintain the physical structure. I personally have seen roads built with foreign aid deteriorating at alarming rates and some ending in the middle of a desert.

Reform supports the Auditor General's request that CIDA engage in a systematic assessment of the availability of local support funds before it commits Canadian resources to any project. In addition CIDA should be required to report to Parliament the results of its efforts in this direction and in following up the use to which the projects have been put.

Reform also hopes that the government will follow up on the Auditor General's most basic recommendation: that the minister in question is accountable for measuring and reporting on the results of CIDA's programs. Reform would push for this recommendation further and urge that Parliament have greater involvement through consultation and debate over CIDA's budget.

(1410)

The Auditor General's report identifies a large number of issues which are of a fundamental nature and that lend themselves to such a debate without interfering with the agency's efficiency in its day to day operations.

I recommend to hon. members a reading of this chapter. One of the issues raised by the Auditor General concerns the fact that historically CIDA has given aid to many countries. He and his consultants have agreed that this approach should be changed and that spending should concentrate instead on a limited number of specific countries. Parliament can make valuable contributions to the solution of these matters.

Another important issue identified by the Auditor General is the conflicting nature of some of the most important mandates of the agency. Thus it is required to help the poor directly but

### *Supply*

also increase the productive capacity of the poor. These two objectives involve an irreconcilable conflict. Food aid keeps down the prices of agricultural products and discourages local production. It creates dependence.

It is ironic that the exact same problems face domestic Canadian spending on social programs and the interprovincial equalization program extended through Bill C-3. I discussed these problems and offered possible solutions the first two times I spoke in this House.

The proposals of the Minister of Human Resources Development for the redesign of domestic social programs will be discussed by Parliament. So should the CIDA programs and mandates. In this context there would undoubtedly be an evaluation of the Auditor General's view that programs in some countries lack coherence, that they use an inadequate knowledge base and may have failed to review development effort in the light of recent changes in the understanding of the nature of the basic development process.

In the evaluation of the CIDA spending in Bangladesh the Auditor General noted that the country's structural weaknesses make self-reliant development very difficult. I wonder whether this assessment is a code for one of the ideas advanced by some students of development aid, namely, that aid should be made conditional upon the receiving country making structural changes that support the development process such as freeing of markets and prices, the protection of property rights and the introduction of democracy. Certainly this topic would be one on which many members of Parliament would want to have an input.

One of the criticisms of the Auditor General is that CIDA is overregulated and suffers from the widespread bureaucratic disease which makes staff more concerned about following a risk minimizing process for spending money than in getting good results. These are almost the verbatim words of the Auditor General. He believes this state of affairs should be changed by making the management staff and process simpler and more transparent and focused on goals identified in co-operation with recipient countries.

In addition, CIDA should adopt a learning culture and devote more effort to the identification of problems that develop while projects are under way. The Auditor General believes that such a change will be forced on CIDA by making its staff, management and ministers explicitly and directly accountable to Parliament and through it to the general public whose taxes finance its operation.

Reform agrees with this assessment made by the Auditor General. It urges the government to force CIDA into becoming more responsive to Parliament, not only in its day to day operations but in setting goals and processes for the selection



*Supply*

and evaluation of its programs. The people of Canada deserve no less.

[*Translation*]

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I listened carefully to the comments made by the hon. member opposite. I want to congratulate him on his speech. Nevertheless, we should not, either inadvertently or intentionally, tarnish all CIDA projects.

I am one of those who had the privilege, during my many years as a member of Parliament, to visit a number of projects in developing countries.

(1415)

I remember a project in Niger, Africa, where I went to see that a \$1,500 grant from the Canadian government made it possible to lay a pipe bringing water to a vegetable garden tended exclusively by village women.

Some 75 families were using that garden and, given Niger's climate, they could have fresh vegetables almost year round thanks to a small investment by this country.

It is all right to talk about all the audits needed to meet requirements, but it would not make much sense to spend \$3,000 on audits to review something that cost \$1,500.

[*English*]

I remember visiting a well in Niger. This well had cost \$5,000 and was providing water for a complete village. This was made by Canadian contributions exclusively. When our delegation entered that village everyone was waving little Canadian flags to greet us.

It made me proud to be a Canadian because of what we were doing for those people. Let us not lose sight of that.

It is easy for all of us to think of a CIDA grant, as what I once heard on television, as buying ham slicers for Muslims. There is no such thing as a ham slicer, it is a meat slicer. There is nothing that says on it that you can only slice one kind of product. In any case, it had been put that way because it was the sexy way, I guess, of appealing to the constituency you wanted to appeal to.

I say to our colleagues across the way and to everyone who cares to listen that it is important for us to keep all of these things in perspective.

[*Translation*]

All those of us who have worked in the area of international development know that the theories explained by some hon. members—theoretical audits, bills and so on—do not always work like they are supposed to in the field, across the globe, where there is no electricity, no computers, etc., and where

someone can be hired off the street to dig a hole. Let us keep that in mind.

[*English*]

**Mr. Grubel:** Mr. Speaker, it is obvious that I would never say that all of the programs of CIDA are failures, having been involved as deeply as I was in the CIDA project. It would be condemning what I have done. I may be foolish, but not that foolish.

I am also glad to hear that the hon. member had such a great feeling of being a proud Canadian when he walked by a project financed by us. The question that is being raised by my constituents, by people around the country and that the Auditor's report reflects is in this period of financial difficulty can we afford to pay money so that this gentleman can feel good about walking past a garden that was financed by our money? That is the question.

I also would like the hon. member to notice that I was very statesman-like in this report of mine. I did not do what the media loves to do and pick on individual bad projects. That is cheap. I did not do that. We ought to approach this in an objective way. It was approached by the Auditor General in an objective way. He did a tremendous amount of research to evaluate these projects.

The fact is that we spent \$3 billion and he is getting again and again from those people who ask objective questions that they do not believe they are getting their money's worth, that there is too much bureaucracy and making sure that bureaucrats do not get caught doing anything wrong rather than looking to see if they are achieving the right thing.

(1420)

I did not say all are doing it. The auditor said that this is characteristic of the program. I believe and go along with the auditor, as the Reform Party does, that one way to improve the quality of what CIDA does, one way to raise the quality, which is undoubtedly quite high, is for the people running CIDA from the minister downward to be more responsive to this House.

**Hon. John Manley (Minister of Industry):** Mr. Speaker, first of all I would like to say I welcome this opportunity to respond to several of the concerns that have been raised in today's opposition day motion, particularly with respect to the aboriginal economic development program.

Although the motion refers this question to the Minister of Indian Affairs and Northern Development the aboriginal economic development program is administered by Industry Canada, formerly Industry, Science and Technology Canada.

In his report to the House of Commons, the Auditor General's comments on the aboriginal economic development strategy served to focus attention on this issue at a time when there is renewed interest by aboriginal Canadians in their tradition of

*Supply*

commerce and there is increasing recognition by the non-aboriginal private sector in doing business with First Nations.

[*Translation*]

As Minister of Industry, I am responsible for a large number of programs and services designed to increase Canadian businesses' competitiveness. And the businesses managed by aboriginal people play a strategic role in this effort. In fact, these businesses will have an increasingly more important role in our economy, which is about to enter a new millennium.

[*English*]

The government's aboriginal business programs are quite deliberately located in the industry department which is able to offer programs to all aboriginal Canadians, including status and non-status Indians, Métis and Inuit peoples.

This role continues a tradition going back over 20 years as the department and its predecessors help to build a critical mass of aboriginal business owners and managers.

Moreover, with its specialists in business issues and intelligence, Industry Canada is best positioned to serve the business needs of aboriginal clients, the role it plays in the Canadian aboriginal economic development strategy.

[*Translation*]

In carrying out my duties, I can count on the precious advice and dedication of the native economic development boards in the private sectors, which have played a major role in the evolution of the government's business development programs over the years. The boards, which are mainly made up of aboriginal businesses and chiefs of communities from all over the country, develop policies and make recommendations to Industry Canada on initiatives which deserve support.

[*English*]

We are partnered in the Canadian aboriginal economic development strategy with the Department of Indian and Northern Affairs, which focuses on community economic development, and with the Department of Human Resources Development which promotes training and workforce participation.

Our other partners are the aboriginal women and men who have worked with the program over the last four and a half years to realize their business dreams.

[*Translation*]

The Auditor General took a look at a number of businesses and he made recommendations on monitoring the progress of our clients. He wants us to follow up and obtain information allowing us to see if public funds are invested shrewdly.

[*English*]

I have to say that I agree with the Auditor General on this point and while procedures were not fully developed at the time last year when he conducted the review, I am assured that our department is currently making improvements in our tracking systems and will be much better able to monitor the performance of our client companies in the future.

I will continue to watch this program and all programs for which I am responsible to make sure that the money being spent, every dime of it, is being used effectively and carefully. We are and want to be accountable to all of the taxpayers of Canada.

(1425)

I am sure members would be interested to know, however, that there are many successes being achieved by aboriginal businesses in Canada. Most Canadians do not know that there is high tech equipment manufactured by a Canadian aboriginal firm, ACR Systems Inc. of Surrey, British Columbia, which has its products on the Canadarm in outer space and on formula one race cars very much on the ground.

ACR's temperature data loggers meet the highest quality standards and serve a variety of uses, including measuring building environments for energy savings and maintaining the careful temperature controls of blood products while in transit.

We all take pride in the achievements of Canadian aboriginal entrepreneurs and film producers as well as entertainers who are increasingly making their mark on national and international stages.

Canadian aboriginal tourism products and destinations are now being sought by visitors to Canada, particularly from Europe, for the unique experiences created and the genuine hospitality offered by aboriginal hosts. The aboriginal tourism sector is already an important contributor to the country's performance in this important area of our economy.

There are many examples of success from the small community based grocery store to the investment bankers on Bay Street. Winnie Giesbrecht has created a thriving business operation in downtown Winnipeg so that she could fill a need for a care home and employ aboriginal women.

D'Arcy Moses and Dorothy Grant have unveiled Canadian aboriginal high fashion to the world at the Canadian Embassy in Paris.

[*Translation*]

So, even if we learn some tough lessons from previous initiatives, the things which we do well must be pointed out.

*Supply**[English]*

Under our current aboriginal economic programs, we have supported some 3,000 client firms. The \$230 million that went toward these business ventures of every size levered other investments and an injection of half a billion dollars in total resulted for the aboriginal private sector.

From a study commissioned last year looking at firms the program supported over their first two years we learned the following facts: 90 per cent of all businesses the department capitalized were still operating after two years; 60 per cent of these firms were operating with a profit or a small loss. These results compared favourably with the Canadian average for small business performance.

*[Translation]*

Important jobs are created by aboriginal businesses. The study encompassed some 300 companies which either created or preserved more than 2,000 jobs.

*[English]*

The cost to the government in helping to create these jobs turned out to be much lower when compared with past efforts. These firms proved to be effective providers of jobs for non-aboriginal Canadians as well, especially in some of the more remote areas of the country.

I am committed to building on the momentum that I have described. There is a critical mass of entrepreneurship, of skilled and talented aboriginal people who are working very hard right now to turn things around for themselves and for their communities.

As a government we will continue to do what we can to improve the climate for this business growth and support the leadership and the initiative and the desire for self-reliance being shown by aboriginal Canadians in all parts of the country.

As Minister of Industry I would like to respond to some of the issues raised by the Auditor General in his report on the failure of the former Department of Industry, Science and Technology to follow the government's accounting policies. I am sure, Mr. Speaker, you will find this especially fascinating and I hope that you can contain your excitement as I talk about accounting policies.

The policy, entitled "Payables At Year End", requires departments to charge expenditures to the period in which they were incurred rather than that in which they were paid. The net result was that in the Auditor General's opinion the department under-recorded its liabilities at year end by some \$42 million.

(1430)

I am told the discussion between the office of the Auditor General, my department and the Treasury Board Secretariat, formerly the Office of the Comptroller General, has revolved

around the difficulty of managing multi-year contribution agreements. This is complex and the rules for accounting are based on long standing and generally accepted principles of recognizing liabilities when they occur.

However, in the case under discussion, there has been a legitimate difference of opinion as to which accounting policy should apply and which fiscal year the liabilities should appear in the public accounts. The office of the Auditor General is not disputing the legality of the payments, only the accounting treatment.

*[Translation]*

The department's interpretation of the accounting policy has always been approved by the former Office of the Comptroller General, which is now part of the Treasury Board Secretariat. In fact, according to this office, the department maintains a high degree of control.

*[English]*

Also, it is generally agreed that departments do not always have control over the timing of costs incurred in multi-year contractual arrangements. This can result in variances from planned spending levels on a year to year basis even though parliamentary authorities are adhered to on a multi-year time-frame.

The department has had extensive discussions with the Treasury Board Secretariat which drafted the policy and that the Auditor General, in his report with respect to this item, is interpreting. This resulted in the deputy comptroller general agreeing with the department's accounting treatment of all items under discussion with the office of the Auditor General save for one item for \$7.3 million.

This item was recorded in the 1992-93 fiscal year by the department and we accept the Treasury Board Secretariat as the final arbitrator in all accounting matters. The Auditor General's figure of \$42 million was not adjusted to reflect the department's action in recording the \$7.3 million item due to printing deadlines for the annual report. The amount actually under discussion is therefore roughly \$35 million. This is comprised of one amount of \$31 million which the Auditor General felt should have been recorded in fiscal year 1992-93. The disagreement, especially in the case of this amount, rose to the extremely complex nature of the contribution agreement in question. In situations of such complexity, often professional accountants will arrive at different conclusions based on their interpretations of the same set of facts.

*[Translation]*

Moreover, there are two adjusting entries representing a total of \$4.5 million. However, as was already mentioned, the Treasury Board Secretariat supports our accounting procedure regarding those items.

[English]

In summary, the issue of unrecorded liabilities is part of a fairly long standing dialogue between the Department of Industry Canada and its predecessor, the Department of Industry, Science and Technology, and the office of the Auditor General due to the complex technical accounting issues surrounding the management of multi-year contribution agreements within the current accounting framework.

The Treasury Board Secretariat, author of the government's accounting policy, fully supports the manner in which the department has treated its liabilities and reported them in its annual report. The department has, for its part, been in full compliance with the accounting policies of Treasury Board.

We do, however, undertake to continue to work closely with the Auditor General in endeavouring to ensure that in future, agreement is reached between the department, the Treasury Board Secretariat and the Auditor General prior to publication of the Auditor General's report.

**Mr. Jim Abbott (Kootenay East):** Mr. Speaker, I would like to preface my question with a broad statement so that we can set the agenda.

It seems that whenever a Reform Party member asks a question about aboriginal issues that Reform Party member must be racist according to certain people within this House. That is exceptionally unfortunate. This is not question period and not widely shown on television but I would like to enter into a very honest, candid and searching dialogue with the minister. I thank him for being in the House.

(1435)

One of the concerns expressed about the aboriginal economic program, and I suggest not just in ridings that have members from the Reform Party but perhaps in some of the other ridings as well, is the issue of competitiveness.

This is a very sincere question. It is not a trick question. I would like the minister to assure the people in my constituency and perhaps many other Canadians. We are attempting to correct what has gone on previously, particularly with the aboriginal community, by investing \$230 million, to use the minister's figures, into a business program. That program has the potential of pitting those businesses against non-aboriginal businesses. The non-aboriginal businesses are under very severe taxation. Some are actually at the point of failure because of severe taxation. There seems to be some hostility and some concern that \$230 million of these businessmen's tax money is being put into something which is based on a situation because of race, and that those people then have a \$230 million advantage.

*Supply*

I wonder if the minister could help me and perhaps help Canadians get around the feeling that this is not setting the non-aboriginal community at a disadvantage.

**Mr. Manley:** Mr. Speaker, I appreciate the question. The best way to explain my view of this is to say that I do not see the contribution to aboriginal businesses under this program as putting the non-aboriginal community at a \$230 million disadvantage. I would suggest to the hon. member that the amount we are able to invest in aboriginal businesses falls far short of enabling the aboriginal community to reach an equilibrium with the non-aboriginal community.

Let me explain a little more what I mean. First, as we know, throughout Canada access to capital for small and medium sized business is difficult. It is doubly difficult for members of the aboriginal community, particularly those living in parts of the country where the existing economic infrastructure is not well developed.

Second, with respect to this program, we are endeavouring not to right the wrongs of past generations, but to assist a group of people to build on a base of self-reliance.

If we are going to do that, we have to not only provide capital, we must have programs that assist in helping the members of the aboriginal business community expand their businesses in a meaningful way, to have the kind of interest shown post-advancement of capital, as the business grows and develops, that ensures its success.

We are dealing with financial assistance which is rather small when compared to assistance given to other segments of government, some federal, some provincial, to many non-aboriginal businesses. We are endeavouring, with some success, as I think statistics will show, to create within the aboriginal community a successful spirit of entrepreneurship, culture of entrepreneurship if you like, leading to self-reliance and offering people the opportunity not just to get handouts and not even to get jobs of their own but to create jobs for themselves and for others in their community.

This is a very important contribution, which is why I agreed with the Auditor General, provided the strategy is clear and developed, and that is what we are endeavouring to do, and also providing that this ability to work with the entrepreneurs is there. This is why the program is set up with a very thorough review process largely directed by experienced members of the aboriginal community who provide their input as to what businesses should receive financial assistance. It is a multi-faceted approach.

(1440)

[Translation]

**Mr. Réal Ménard (Hochelaga—Maisonneuve):** Mr. Speaker, I thank the Reform Party for giving us this opportunity today

*Supply*

and I notice, as the debate wears on, that there is a basic distinction between what the Reform Party is suggesting and the proposal put forward by the Bloc Québécois. I would like to emphasize this difference based on the minister's speech.

Every time we have brought up the subject of government finance, we have said that it was imperative, capital that a committee composed of representatives of all the official parties in this House be set up to review all expenditure items that make up the government's financial commitments. While the motion that the Reform Party has put before us is interesting, I think that it would not give us a broad enough view, a comprehensive view of where cutbacks should be made.

I wanted to draw a parallel with the department that the Minister of Industry runs, as his committee met for the second time this week. I attended the meeting because I take a keen interest in the issue. I was surprised to learn for one thing that the total budget for his department was nine times smaller than that of National Defence, in spite of the fact that the manufacturing sector is known to create jobs and that commitments need to be made in that area. I would like to submit to you that with respect to cuts, the problem with what the Reform Party is saying is that we get the impression that there should be cuts everywhere, across the board. On the other hand, a parliamentary committee like the one we are suggesting could give us a much more balanced picture. There are indeed areas where cuts can be made, but there are others where additional resources are required.

At that committee meeting where all the deputy ministers had come to tell us about their financing activities, every one was amazed to hear for instance that as little as \$15 million was earmarked in the department's budget for the very important sector of tourism, a sector that is expected to gain more and more importance toward the year 2000. So, both the government members and the opposition members present were surprised at how meagre their resources were, considering how much needs to be done in Canada in that area.

Just think that the Quebec Ministry of Tourism alone has about the same budget. I picked that particular example because it is in the magnificent riding of Hochelaga—Maisonneuve—where the hon. minister is always welcome—that you find the Olympic Stadium, the Botanical Garden and the Biodome.

This is a case where, if a parliamentary committee carried out a qualitative study of each budget item related to governmental activity, as the Bloc Québécois is proposing, we could make a quantitative determination and realize, for one thing, that there should be more resources allocated to the Department of Industry, particularly for tourism, and we would be able to make nuances. I do not know whether the hon. minister agrees with me

on this, but I think that this is a basic distinction between what the Reform Party and the Bloc Quebec are proposing.

**Mr. Manley:** Mr. Speaker, I would love to visit the riding of the Bloc Québécois member. Perhaps shortly.

As to his proposal, I agree that we cannot cut indiscriminately. We need to have a strategy, and I believe strongly in a real strategy of economic development. After all, this is going to cost a bit of money.

I agree with a system whereby members would have more say in budget affairs, even those of government departments. Historically speaking that is the real reason for the existence of Parliament. The legislative process is only secondary to it. The first thing is to provide the government with money, and that is what Parliament was created for.

(1445)

I would welcome the opinions of members on the expenditure of public funds. Whether we need a committee like the one proposed by the Bloc Québécois, I am not so sure, because government spending is extremely complex. Let us take the example of my department. A member of the committee—not my committee, but the committee of the House—would have to look not only at the expenditures under my authority, not only at all the programs of Industry Canada which total about \$6 billion, but also at the spending of the National Research Council, the Canadian Space Agency, Statistics Canada and others. There is a lot to cover, and I was just talking about the Committee on Industry.

I believe that any given committee has a lot of work if it wants to review the expenditures of all departments. If one committee should review all government expenditures, it is really the Public Accounts Committee which answers reports like the one presented by the Auditor General.

**Mr. Eugène Bellemare (Carleton—Gloucester):** Mr. Speaker, I would like to congratulate the Minister of Industry for his presentation on the development of aboriginal businesses. I think he explained well enough that the program is worthwhile and that we should maintain and even expand it.

I would like to comment on the motion of the Reform Party. I will read the French version if the members of that party will allow me. It says that the government should study the report of the Auditor General, make recommendations and report, I quote:

—no later than the first week of June each year, what measures have been taken by the government to address unresolved problems identified by the Auditor General in his report—

I have been a member of the committee for the last five years and I can say it is totally impossible to implement the proposal of the Reform Party. The report was just presented in January and I know the members of the steering committee of the Public

Accounts Committee must meet in order to determine the agenda for the study sessions they will hold. The report of the Auditor General is not final; the committee must do its work and make recommendations.

Many recommendations have been made during the last five years. The Reform Party and the rest of Parliament should focus on the recommendations of the Public Accounts Committee, they should make representations and have debates here in the House.

**Mr. Gaston Leroux (Richmond—Wolfe):** Just a short question, Mr. Speaker.

Yesterday I touched on this whole issue of program management and I would like to ask the industry minister for his opinion on program management and strategy. The Auditor General's report—and his colleague, the Minister of Intergovernmental Affairs, who was a senior official himself, will probably agree on what was suggested—seems to point to a 28 per cent reduction in funds earmarked for program evaluation over two fiscal years. I think this is fundamental in the whole question of programs when in 1991–1992, for example, \$124.5 billion was invested in 16 programs, only two of which were thoroughly evaluated.

So I am asking you this: What do you think of the lack of an assessment mechanism allowing us to see if the money injected has achieved the goals that were set, if program management and processes on which so much money is spent have had some success.

(1450)

**Mr. Manley:** Mr. Speaker, I think it is necessary, after all, to have review systems. It is not necessarily required to review every program under a formal system every year because it would be too difficult, but each program should be effective. My department must have a system of accountability to the minister. After all, it is the minister who bears the burden of accountability to Parliament.

**Mr. Gaston Leroux (Richmond—Wolfe):** Mr. Speaker, I would like to take this opportunity today to remind the House of some of the factors that contribute to the problems of Canada's public administration.

My comments are largely based on the positions taken by the Bloc Quebecois in this House during the pre-budget debate. We think it is important to repeat these discussions on public administration and the wasting of public funds, because we see the latter as one of the causes of the failure of Canadian federalism.

The rising federal deficit has increased our foreign debt and, as you know, this trend towards relying on foreign loans to

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finance the deficit has mortgaged the future of generations of Quebecers and Canadians.

Our children will pay for the debt, for what I would call the Trudeauania of the 1970s, when credit cards became the Canadian government's main economic instrument.

From 1960 to 1994, the debt as a percentage of GDP rose from 34.6 per cent to 71.8 per cent—a typical example of public finances out of control. This means that since 1960, the debt has increased faster than the revenue that would be used to pay it off. If the debt/GDP ratio indicates the extent of the problem inherited from the past, it is easy to see, if we look at how the deficit evolved as a percentage of GDP, where this explosion of the federal debt started. It started when the Liberal Party of Canada was in power.

The Liberals are responsible for this public debt explosion.

Today, during this sluggish economic recovery, taxpayers have the impression that the federal government is not doing its share to improve its management methods and eliminate waste. In the Auditor General's last report we read, and I quote: "Today, it is clearer than ever, to both public servants and parliamentarians, that Canadians expect them to demonstrate sound and prudent management rather than finding new ways to spend borrowed money".

In order to eliminate waste, unnecessary spending and poor management in our public administration, I reiterate the request by the Bloc Quebecois for a parliamentary committee that would analyse and review public expenditures, item by item.

**Mr. Plamondon:** Hear, hear.

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, it would be appropriate to create such a committee, because the Auditor General's report, as I said before, shows that Quebecers and Canadians are right when they believe that the government is wasting part of public funds. I suggest we look at a few examples of waste, unnecessary spending and poor management to support this view.

For instance, at National Revenue, because of a loophole in the resource deduction, the government lost \$1.2 billion in revenue.

**Mr. Plamondon:** That is unacceptable.

**Mr. Leroux (Richmond—Wolfe):** If the government had a mechanism for quickly adjusting tax credit programs where there was a problem, as recommended by the Public Accounts Committee, it could have avoided much of this loss.

Investment Canada spent \$132,000 on a new office, kitchen and bathroom for its new president, although her predecessor's office was located in the same building and had the same amenities.

**Mr. Plamondon:** That's a big waste.

*Supply*

(1455)

**Mr. Leroux (Richmond—Wolfe):** Another example of waste is the \$54 million cost related to the use of the Challenger aircraft. Travelling done by ministers accounted for more than half of this amount, as the Minister of Intergovernmental Affairs is well aware. According to the Auditor General, this figure translates into an hourly cost of \$19,650. Is this the best way to finance the travelling of ministers and other officials? This is the question asked by the Auditor General, who does not have access to the information which would reveal whether or not this travelling was justified.

Another example of mismanagement is the Northern Cod Adjustment and Recovery Program, through which the Department of Fisheries and Oceans spent \$587 million. The Auditor General estimates that, of that amount, close to \$15 million were wasted because the program was poorly managed.

Another example is the Canadian Aboriginal Economic Development Strategy which we just mentioned. The strategy provided for an investment of one billion dollars over a five-year period. Three departments were directly involved: Indian Affairs and Northern Development, Industry, as well as Employment and Immigration. The stated goal was to reduce the gap between aboriginal people and other Canadians.

We do not question the objectives of those programs. As the hon. member said earlier, we are not asking for cuts to those programs, but we want some tools to be able to evaluate their implementation. In 1993, \$900 million were spent to reduce that gap. The Auditor General deplored the lack of co-ordination between the three departments. It is not clear who must assume leadership for the implementation of the strategy. The departments concerned should have a co-ordination plan as well as a system to evaluate that strategy.

In short, we do not know what concrete benefits resulted from this strategy. We do not know if the funds were spent according to aboriginal people's priorities. We do not know if there is a more profitable way of attaining the same results. As I said earlier, between 1989 and 1992, the budget to conduct evaluations was reduced by 28 per cent, and out of 16 programs representing a total of close to \$125 billion, only two were evaluated.

I want to draw your attention on the duplication of programs and the overlapping of jurisdiction, which are also responsible for the waste of public funds. In a 1991 study done by the Treasury Board of Canada, not the Bloc Québécois or any other group, the Treasury Board concluded that, for at least half of the provinces, there is apparent duplication between provincial and federal programs, this in 60 per cent of cases. The vague division of responsibilities, the incursion of the federal government in provincial fields of jurisdiction, as well as the federal spending power are the main causes of this duplication and overlapping.

According to the Bélanger-Campeau Commission on the Constitutional Future of Quebec, set up by the Quebec Liberal government, the best way to put public finances in order is for Quebec to become sovereign. Indeed, the Secretariat of the Bélanger-Campeau Commission reached a basic conclusion: since Quebec is not recording any significant net gain under the current system, we will soon have a negative balance. It now has been established that federal transfers to Quebec will continue to decrease, relatively speaking, as shown by the announcement made by the federal government concerning established programs financing.

As for the equalization program, its very foundation is eroding. The role of the government as the main provider can only decrease. The consensus reached by the Bélanger-Campeau Commission is also the opinion of all Quebec decision makers, including the unions, the professional associations as well as the business and financial communities. They all agree on one thing: to eliminate the federal government's debt, the current political system needs to undergo major changes. The Canadian federal system has failed us and cannot be reformed, as all Quebecers have proved with Charlottetown. And that political situation is at the root of our public finance crisis.

The dynamics and the gigantic proportions of the Canadian civil service are further examples of significant waste and loss of energy. In management training, we learn that civil servants and other managers often look forward to increase their influence by hiring too many people or requesting a bigger operating budget than they need. In so doing, they cannot properly streamline expenditures. Employees do not always have reasons or the desire to confront government machinery.

(1500)

The Bloc Québécois, with the best interests of Quebecers in mind, asks that a standing committee on government spending be struck right now with members accountable to the people.

We believe that the people's representatives should make sure that the objectives of the various programs are met and that the government is managing the public purse with equity, efficiency and care. Besides, the Auditor General brought that up when he wrote, and I quote: "Most of the time Parliament is not provided with adequate information on the results that departments and Crown corporations have achieved with billions of dollars of taxpayers' money".

A parliamentary committee on government spending could ensure that Parliament and thus the Canadian people are better informed on the government financial situation.

That is why we support the Auditor General's proposal to require departments, and I quote: "to submit, through the committee on government spending, clear and comprehensive reports to Parliament on the exact state of their stewardship and to provide, when significant expenditures are incurred, information based on results". The point here is for the

*Supply*

government to achieve political justification rather than trying desperately to stay in power thanks to unjustified grants.

[*English*]

**Mr. Jim Abbott (Kootenay East):** Mr. Speaker, with all kindness intended before I ask a question I must express to the House the tremendous amount of difficulty I have sitting here day after day listening to the reference to Quebecers and Canadians. Until such time as that situation should change, I suggest it might be helpful certainly for me, but I say that I am a Canadian from British Columbia, and probably the majority of members in this House would refer to themselves in a like manner. The exception seems to be with some of my friends to my right and I am having some difficulty with that.

That having been said I am interested in the position of members of the Bloc Québécois. On one side of the coin they, like ourselves, would not support tax increases. On the other side of the coin when we talk about targeting there seems to be some misunderstanding by Bloc members where they believe that the Reform Party is calling for cuts evenly distributed across the board.

We talk about targeting to make sure that people who require the support of social programs will be protected and that the funding for those social programs for those who are in the most need will be there. That is why we are talking about targeting the support of social programs thereby creating decreases in the amount going out.

I wonder if the member could help us understand. I believe the member is talking about eliminating waste in government programs. We could shut down all of the federal apparatus, fire every single solitary person in the federal civil service, close down this institution and indeed stop paying rent on all of the buildings. Does the hon. member realize that even in doing that we would still have a deficit and still be adding to the problem of an increasing amount of debt?

If over 50 per cent of the current expenditures by the federal government are in the form of transfers to individuals either through the provinces or in direct payments in social assistance and his party is unwilling to touch that, but cannot possibly balance the budget without touching it, how would his party propose to balance the budget? I do not understand that kind of thinking.

(1505)

Yes there is waste and yes waste must be eliminated. I agree with the comments of some of the Liberal Party members who have said that they too want to cut down on that waste. However, that is not where it is going to come from.

If the member cannot possibly balance the budget without cutting into or directing the payments to individuals under social programs, how would he propose we balance the budget?

[*Translation*]

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, I want to thank the hon. member for his comment and questions. First of all, the hon. member must understand that all members of the Bloc Québécois were elected in a democratic fashion by the people of Quebec. It is with a great deal of pride that all my colleagues from Quebec come to sit in Ottawa with a culture recognized in Quebec through the French language, with English-speaking friends who are true Quebecers, and all across Canada with people we want as our friends, with their great English Canadian culture.

So it is with pride that we often refer to Quebec and to the mandate we have been given to defend the interests of Quebecers because of the \$28 billion we contribute to the federal coffers.

Having said that, I think it is—

**The Acting Speaker (Mr. Kilger):** I must remind the hon. member that the five-minute question and comment period is not very long. Could he please keep his comments short so that debate can resume with his colleague from Verchères. The hon. member for Richmond—Wolfe has the floor.

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, in short, our goal—and I think, judging from their speeches, that it is a goal shared by members from all parties—is to start by looking at every expenditure item in every department. It is a very simple exercise before starting from scratch to set targets and deciding which programs should be maintained. You have recognized that there is a lot of waste and the Auditor General recognizes it also.

Second, we must look at ways to revive the economy and go from budget cuts to investments in order to create jobs and kick-start the economy. We are quite willing to take such actions as soon as possible after all public accounts have been audited.

**Mr. Stéphane Bergeron (Verchères):** Mr. Speaker, I believe I will have an opportunity during my speech to answer some of the questions asked by my colleague from Kootenay East. I have the feeling that he does not understand very well the point we have been trying to make in this House for the past few days. I will try to answer his comments and questions.

First, I would like to thank my colleague from St. Albert, who sits behind me, for putting this motion to the House. I would say at the outset that the motion he presented today pursues a very laudable objective that we wholly support, and that is putting public finances on a sound footing.



*Supply*

However, I believe the motion is too specific and therefore too restrictive. What I mean by that is that the motion presented by my colleague from St. Albert focuses on a few recommendations, a few items in the last report of the Auditor General. But, as we know, the Auditor General does not have the resources or the mandate to review all aspects of federal government activities.

Consequently, the Auditor General selects for review, every year, a limited number of government activities. The motion of the hon. member for St. Albert does not refer to the previous report of the Auditor General, and I will come back to that later, even though its recommendations might still not have been implemented.

The motion of the hon. member for St. Albert does not mention either any area of government activity not yet reviewed in detail by the Auditor General. What I am trying to say is that the points raised by my colleague are rather restrictive, and this is why the Bloc Québécois has some reservations.

(1510)

In our opinion, there are three main categories of causes which account for the present financial problems of the federal government. First, there are extraneous causes, by that I mean the difficult situation we are in, everywhere. That difficult situation results in a lowering of tax revenues and an increase in social spending for the government. What can we do on that front? I believe that we should promote job creation in order to revitalize the economy.

The second category of causes for the financial problems of the federal government are of a more structural nature. We mentioned several times in our speeches the very nature of the Canadian federal system. The sprinkling of federal money from coast to coast in order not to offend sensitivities in the various regions is very inefficient and very costly for the federal government.

There is also the costly and paralysing duplication—in terms of money and economic development—we have mentioned frequently in this House. It is inherent to the present federal system. There is very little we can do in that area until the constitutional make-up of the country is amended.

There is a third category of causes that I would call functional, and they involve the waste and mismanagement of public funds. This is what we are talking about at the present time. Now we have to clean up the government's finances, and that is what has been holding the parliamentarians' attention since the beginning of this session.

We know there are not many recipes for cleaning up government finances. There are basically two recipes, one of which is to increase government revenues. But we know that the middle class, which is already carrying a very heavy tax burden, cannot carry more. So, what we are proposing on this side is to target the tax loopholes that allow our more fortunate fellow citizens

to avoid making the contribution that they should to give their fair share.

The other major recipe is to reduce spending. It is that point, I think, that our friends from the Reform Party have trouble with and are getting bogged down because when we talk about reducing spending, we cannot cut everywhere in an anarchic, disorganized way. We must be able to target. Target what? The waste of money, the expensive duplications, the extravagant and superfluous spending. That is where we should be targeting.

I now refer to the comments that were made earlier by my colleague from Kootenay-East. He was saying: Indeed, that is what we are suggesting we cut. But the proposal is to target specific areas, and that is what I was saying earlier. What we are proposing, as my colleague from Kootenay East was saying, is to identify first the tax and budgetary expenditures that should perhaps be cut. We have to identify them first. As a means of doing that, we propose that a special committee of the House be struck, with a mandate to examine all the tax and budgetary expenditures of the federal government, item by item.

This proposal should not surprise the hon. member for Kootenay East since two of his colleagues from the Reform Party, namely the hon. member for Calgary North in response to a question I put to him on January 21 and the hon. member for Lethbridge in response to a question put to him by my colleague from Saint-Hyacinthe—Bagot on February 1, made it known that they would totally agree with the creation of such a committee. I think that we have to go ahead with this proposal and strike a committee that would examine all the tax and budgetary expenditures of the federal government, otherwise we may see, in the next budget and in subsequent budgets, the same mistakes that caused the problems that Canada is facing right now. We must not make the same mistakes. We must target and root out all lavish and excessive public spending as well as costly duplication and waste.

(1515)

At the beginning of my presentation, I referred to previous reports from the Auditor General which raised interesting points, although no follow-up action has yet been taken. I note the presence in this House of the Secretary of State responsible for International Financial Institutions, which brings me to the 1992 report of the Auditor General. Chapter 12 dealt with Canada's participation in the Bretton Woods Institutions and in the European Bank for Reconstruction and Development.

Of all countries, Canada has one of the highest per capita contribution levels when it comes to funding projects of institutions such as the IMF and the World Bank. Canada's subscription or quota at the IMF is \$4.6 billion, while financial commitments in the World Bank Group and the European Bank for Reconstruction and Development are \$5.6 billion. One troubling fact, as the Auditor General recalled in last year's report, is that these sums of money are not subject to any

*Supply*

controls or cost-effectiveness or impact studies by the House of Commons.

Lamenting this sad state of affairs, the Auditor General recommends that the government undertake a periodic review and assessment of the objectives, extent, costs and results of Canada's participation in these institutions. To date, no follow-up action to speak of has been taken as far as this recommendation is concerned. And this is what we are talking about.

The Bloc Quebecois is determined to see to it that the relevance, efficiency and effectiveness of all federal government spending is evaluated. It is imperative that such an evaluation be conducted in all areas identified by the Auditor General and for all government spending items.

Of course, Canada must continue to make substantial contributions to international financial institutions. The Bloc Quebecois has no quarrel with this. However, Canada's international development assistance objectives need to be clearly stated.

The sizeable amounts of money that Canada contributes to international development assistance should also be closely evaluated to ensure that the contribution process is as cost-effective as possible. This is the thrust of the recommendation that we have been making for several weeks and months now, namely that a committee be struck. A response on the part of the government is urgently needed.

[*English*]

**Mr. John Williams (St. Albert):** Mr. Speaker, I would like to thank the member for his speech.

One thing that I was rather puzzled about was when he started off by saying in his speech that the way in which we had written the motion was far too restrictive and then he finished up his speech by saying that we should focus on one particular area. It seems rather a conundrum to me.

In the last few weeks we have been listening to what is becoming a bit of a broken record. The Bloc Quebecois seems to say that there is a panacea in the duplication of federal and provincial spending. I heard one member talking about Gaspé where he thought if we eliminated federal and provincial duplication there would be more fish in the Gulf of the St. Lawrence.

I heard another member suggest that if we eliminated the duplication there would be sufficient money available for the job creation program. Another member said that if we elimi-

nated the duplication there would be sufficient money to create all kinds of positions for day care.

They are now still on about the same situation they talked about yesterday that if we happen to create another committee this will be the panacea that will solve all of the problems that we have and things will go on from here and everything will be bright and beautiful.

My question to the member, which is basically a repeat of the question by the member from Kootenay, is how does the Bloc Quebecois believe that the answer lies in duplication of federal-provincial spending? Spending by the federal government happens in the province of Quebec, British Columbia and in my home province of Alberta.

(1520)

How does it think that this panacea of elimination of duplication is going to provide all kinds of money to solve all the problems when it is just using that as an agenda to try and build some kind of defence or justification for its own political platform which has no basis whatsoever?

[*Translation*]

**Mr. Bergeron:** Mr. Speaker, I hope that you will give me time to answer this long question.

First, I think that, like his colleague from Kootenay East, the hon. member for St. Albert did not catch the drift of what I said. I focused on international financial institutions just to show how pointless it was to make the motion as specific, as restrictive as they did, because the Auditor General included in his report last year measures relating to international financial institutions that have had practically no effect thus far. This is to say that focusing on certain areas of the very partial report of the Auditor General is not conducive to a global solution.

The other point my hon. colleague made was: how do we, of the Bloc, think that our marvellous committee is going to solve all the problems of this country? It is no panacea. In itself, creating a committee does not solve the problems, but this committee would identify the areas where costly duplication exists, not only costly duplication but also squandering and extravagant expenditures. After having identified all this, we would be able to take action on the various unnecessary, superfluous expenditures.

The last question my colleague asked me was: why insist so much on eliminating duplication? Are there reasons to believe that everything will work out for the best in our beautiful Canada just because duplication will have been eliminated? Of course not, but the fact remains that—based on figures from serious sources, not the Bloc Quebecois but a serious economist

*Supply*

like Mr. Fortin, as well as the Bélanger–Campeau Commission—duplication between Quebec and Canada alone costs from \$2 to \$3 billion a year. Perhaps savings could be made in that area by cutting unnecessary government expenditures, would you not say?

[English]

**Hon. Douglas Peters (Secretary of State (International Financial Institutions)):** Mr. Speaker, I am pleased to have the opportunity to participate in this debate. Today I will be addressing a technical issue relating to the income tax law which was mentioned by one of the earlier speakers.

This government is committed to the efficient and effective use of public funds. Our commitment extends to the timely clarification of the income tax law in situations in which the wording of a provision may not have given effect to the government's intent, thereby resulting in some revenue exposure.

Such a situation was recently described by the Auditor General with respect to tax allowances provided to resource companies. In order to appreciate the concerns expressed by the Auditor General's report it is important to understand a certain amount of background information. I would commend you, Mr. Speaker, on your ability to hold your joyous response to the Minister of Industry's speech. This one will require even more indulgence on your part.

For this reason I would like to take a moment to set out a few of the relevant facts. In 1974 the government of the day stopped resource companies from deducting provincial crown royalties. Instead, alternative tax relief was provided for such companies depending on the amount of their resource profits.

Since 1976 this alternative tax relief has been in the form of a resource allowance. Resource allowances are not a tax preference. They were introduced in order to compensate companies for the non-deductibility of provincial resource royalties. The resource allowance provision permits a deduction equal to 25 per cent of resource profits.

In 1979–80 Revenue Canada reassessed a resource corporation after it took the position that it was not required to deduct certain scientific research expenditures and capital cost allowances in computing its resource profits. The company's approach increased the amount of profits eligible for tax relief.

The resource corporation challenged the reassessment in the courts. Litigation proceeded and finally culminated in July 1992 when the Supreme Court of Canada denied the government leave to appeal a decision by the Federal Court of Appeal which had ruled in favour of the corporation.

(1525)

That is the background of the Auditor General's comments regarding resource allowances.

In his report, the Auditor General expressed the view that the Department of Finance should have acted more quickly to clarify the policy intent of the resource allowance provisions. The government did not act while the issue was before the courts because it was advised that doing so would have prejudiced the ongoing litigation.

Moreover, until the decision of the Federal Court of Appeal on this matter in January, 1992, most of the resource industry had been filing its income tax returns in a manner consistent with the government's view of the law's intent.

In the same month of the Supreme Court of Canada ruling, the previous government issued a press release clarifying the policy intent of the resource allowance provisions. This press release included draft regulations which were effective immediately. The draft regulations of July, 1992 are currently being reviewed and finalized as expeditiously as possible. They will be included with regulations under Bill C-92 dealing with the abuse of the resource allowance through the use of partnerships. Bill C-92 was passed in June, 1993.

The period for reviewing, finalizing and processing these draft regulations is not excessive. It permits concerns regarding the text of the draft regulations to be fully considered before their enactment.

The amendments in question deal with a complex area of tax law. The law is complex because it deals with corporations which carry on many different types of business activities in the resource sector. Over the years it has been subject to many changes which addressed court decisions and closed various loopholes.

Following a review by the Department of Finance, the Department of Justice and Revenue Canada, the draft regulations will be sent to the appropriate cabinet committee for approval as quickly as possible.

Regardless of the time of their enactment, the amendments in the draft regulations relating to the calculation of resource profits will be effective from July, 1992.

With that very long preamble, I would also like to note that the revenue exposure estimates contained in the Auditor General's report require some clarification. The report estimates the amount of revenue lost, and the hon. member before mentioned it as well, at about \$1.2 billion. However, nearly one-half of that amount relates to issues that were not covered in the court case.

Of the remainder at least 50 per cent represents interest on funds, and the government had use of those funds.

In conclusion, I would like to stress once again this government's commitment to timely introduction of income tax

legislation and regulations. At the same time, it is vital that the quality, effectiveness and fairness of such legislation or regulations not be compromised.

**Mr. Boudria:** Mr. Speaker, on a point of order. I would seek to indicate to the Chair that it was our intention that the time of the hon. minister who has just spoken be shared with the member for Scarborough West.

**Mr. John Godfrey (Don Valley West):** Mr. Speaker, poverty alleviation, protecting human rights, building democracy and ensuring environmental stability are the challenges facing the Canadian International Development Agency.

The Auditor General states that few Canadian organizations, private or public, attempt the complex and high risk taking tasks that CIDA undertakes. Our aid effort ensures that Canadian values help to shape the world of the 21st century, a world we hope will be peaceful and prosperous, fair and free.

Canada's aid program helps define Canada's place in the world. It is beneficial in a number of ways. For example, a good part of the aid budget is directed to fulfilling basic human needs. It supports the humanitarian concerns of Canadians. It supports the respect of human rights, gender equality and popular participation, all values important to Canadians. It helps developing countries achieve environmental sustainability. What kind of work does our aid budget actually support?

(1530)

In West Africa CIDA has been helping the people of Senegal fight against the spreading desert by planting trees. The Panaftel project, one of Canada's major initiatives in Africa, gives several countries a good basic communication link.

In Zimbabwe the University of Ottawa's human rights centre and Zimbabwe's legal resources foundation, a non-governmental organization, are bringing legal services and rights to the rural poor.

Part of the program has involved the training of paralegal workers who operate in different parts of the country, educating people about their legal rights and helping them deal with problems that range from finding missing relatives to damage claims after bus accidents, a big concern in Zimbabwe.

In Honduras there is a problem of rapid destruction of the hardwood forests which stretch along the Caribbean coast. Each year over 2 per cent is cut and burned for shifting agriculture.

CIDA's hardwood forest project is addressing the problem on two fronts, improving forest management and sustainable land use in buffer zones next to the forest. The project is expected to reduce deforestation and reduce the pressure to convert forests to farms.

### *Supply*

A rural development project in northern Pakistan supported by the Aga Khan Foundation and CIDA is widely regarded as one of the world's best.

[*Translation*]

The Auditor General recognizes in his chapter on CIDA that most Canadians support international aid efforts, but they want assurance that their taxes are really being used to develop the potential of the poor and of the developing world in general.

[*English*]

The Auditor General and CIDA have agreed to a follow-up on the action taken by CIDA to implement the recommendations of the 1993 chapter. The Auditor General will be reporting on CIDA's progress in implementing changes at all levels of management in his 1995 report to Parliament.

[*Translation*]

We believe that a sustained partnership with non-governmental organizations and business people doing outstanding work abroad can strengthen this support from taxpayers for the Canadian aid program.

International development is very important, considering the present world situation. It promotes global security, respect for human rights and democracy.

[*English*]

We need to work together to deal with the problems of our planet and the aid budget is a contribution Canada makes as a good citizen of the world community.

The aid program brings significant benefits to Canada. The aid program sustains over 40,000 jobs in this country with 2,000 businesses, 45 universities, 80 colleges and dozens of provincial departments and agencies benefiting from aid-related contracts.

Canada's food aid represents the output of some 3,000 Canadian farms.

Canada's aid program alone cannot change the world. It has made a difference. CIDA has a reputation in the field for integrity and co-operation.

The Auditor General said many things about CIDA but he did not say that aid is a poor investment for Canada. He did not say that aid is wasted.

[*Translation*]

As the Auditor General mentioned in his report, CIDA is recognized throughout the world for its integrity and co-operation. Nevertheless, we are aware that improvements must be made and CIDA is committed to renewing its management.

[*English*]

CIDA has committed itself to management renewal and to demonstrating results for investments. CIDA has launched a

*Supply*

process to streamline and modernize its management practices. Some early steps such as simplifying its organizational structure and improving management systems are already completed. Others are under way.

We have a lot of resources, technical expertise, and experience gained in our own development. Our role in development has won Canada a lot of good will and credibility virtually everywhere in the developing world.

[*Translation*]

Sometimes, the images the media give us lead us to believe that the history of developing countries is just one of failure and despair. The figures tell another story. Despite the problems, we must admit that international aid has helped improve the situation in developing countries.

(1535)

[*English*]

My government is proud of the success achieved in international development.

[*Translation*]

Within a generation, the average real income in developing countries has more than doubled. Infant mortality rates have been halved since 1960.

The adult literacy rate has risen 20 per cent in recent years.

Over 70 per cent of the people in developing countries have access to health services.

Smallpox has been eliminated, at a cost of \$250 million. This involves a saving of \$1 billion a year on vaccine and treatment, in addition to the relief of the suffering formerly associated with the disease.

[*English*]

CIDA's program in South Africa continues to play a constructive role in the transition toward political pluralism.

Let me say, Mr. Speaker, that just this week there was a letter published in the *Globe and Mail* that discusses the positive side to CIDA which press reports often do not cover. The letter states: "On a visit to El Salvador I witnessed some absolutely incredible success stories such as an industrial co-operation made possible through CIDA. I was never so proud to be a Canadian".

With respect to more business-like and accountable modes of operation CIDA like other government departments is responding to public demands to demonstrate better accountability. Clearly this will require the support of our government and the support of development partners in Canada and overseas.

However, let me assure you, Mr. Speaker, that CIDA through its annual report to Parliament and its appearance before the public accounts committee in the House of Commons makes every effort to ensure that parliamentarians are properly informed. There is already an evaluation and audit process in place at CIDA as well as a comprehensive consultation process between CIDA and its partners.

The Auditor General did say that CIDA, like all other organizations, must adapt to new conditions. It needs to do better with less. CIDA must be more systematic in measuring the impact of development programs. CIDA's partners including multilateral organizations, other governments, Canadian companies and non-governmental organizations must participate in this change. CIDA needs to be more transparent to Parliament and the public. CIDA agrees with the thrust of the recommendations aimed at improving the agency's accountability and strengthening its management effectiveness.

By addressing issues at the level of program management CIDA will achieve a more results oriented and business-like style of management and will also address project management concerns.

Clearly there can be no question of the importance of the aid programs to the developing world and to Canadians. The government is committed to renewal in the public service, improved effectiveness, openness and transparency. This applies to CIDA as well as other departments. There is no doubt that CIDA will meet this challenge.

[*Translation*]

Mr. Speaker, it is also important to note that the foreign policy review will answer some of the questions raised in the Auditor General's report.

[*English*]

This foreign policy review involving a broad consultation with Canadians and partners is the process the government has chosen to help us define our priorities in foreign policy. Once the review has been completed the government will establish its new priorities, thus tackling what the Auditor General describes as making CIDA's task so difficult, that of trying to meet so many contradictory priorities.

[*Translation*]

**Mr. Philippe Paré (Louis-Hébert):** Mr. Speaker, I was happy to hear the previous speaker defend CIDA programs. I think that, despite what Canada is already doing, we should not make cuts in that sector. There may be a need for reorganization, but Canada is not one of the most generous countries. I simply want to remind the House that Canada only spends four tenths of 1 per cent of GDP on aid, compared with 1.10 or 1.16 per cent in Sweden. There may be a need for reorganization, but we should be extremely careful on this issue.

*Supply*

I think that when we address this issue, we should also look at our options regarding CIDA. I sometimes feel that we may be investing too much in international trade and not enough in people's development.

(1540)

I think that the main objective of CIDA development assistance should always be to help developing countries and populations take hold of their own chart destiny and put out their own development. So much the better if Canada can benefit in a number of ways. I often think that we insist too much on linking development projects to the requirement for assisted countries to trade with Canada. I think that, in doing this, we may be a little greedy.

**Mr. John Godfrey (Don Valley West):** Mr. Speaker, I thank the hon. member for Louis-Hébert for his comments. I fully agree that, at the present time, Canada's objective is 0.7 per cent, but it is very difficult with the upcoming budget later this month.

As regards government priorities, indeed we have to make choices. I think that when we review our foreign policy we will have to ask ourselves: What worked in the past? Where were we successful and where did we fail?

We must also acknowledge the fact that we are part of an international setting. In my opinion, we will always have two objectives: the centrality of the individual's development, as well as the basic needs which underlie any development. However, we must remember that developing countries need high technology just like us.

I think we can do two things at the same time: Improve the plight of the poorest in the world and try to make them benefit from our technological advances.

[*English*]

**Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs):** Mr. Speaker, we have the perspective of the comment made by my colleague from Louis-Hébert and that of my colleague from Don Valley West.

I speak from a national defence perspective. We have to recognize more clearly today that national security means more than the traditional sense of defence of a physical perimeter. It means a lot of things. Among those things it means co-operation. The concept of security today, particularly in the post cold war period, goes far beyond the question of what was traditionally known as the military balance.

It is about politics, it is about economics and it is about human rights and the environment. Those thoughts are sometimes slow to be inflicted on the thoughts of National Defence. I am not *avant-garde* but I think it is important that we think of CIDA in that perspective.

It is clear that the individual welfare of ordinary Canadians is now affected by global factors, particularly since we are very much a trading nation made up of multinational facets from other countries and that the individual Canadian is affected by global factors that are far beyond any single nation.

Our contribution to CIDA, while it may not look particularly helpful to any individual in an election, in the overall perspective of national security and the well-being of Canada could be a very significant and effective tool. Could the member comment on that?

**Mr. Godfrey:** Mr. Speaker, the point is well made that security is being redefined as we speak after the cold war. It is also being redefined in the countries we are trying to help. I remember in my own time during the Ethiopian famine when the geopolitical concerns of Somalia versus Ethiopia and their protectors, the superpowers, was of overriding consideration.

Now we face a world in which we potentially have a peace dividend in this country, but there is also potentially a peace dividend in the developing countries. We are in a position where we can force a greater degree of conditionality by saying that if the priorities in such and such a country are to rearm rather than to help the poorest of the poor we may share those priorities with them and not give them a hand.

Therefore we have the foreign policy debate, the security debate and the environmental debate. All these debates come together in a most complex pattern and it is an ideal time to be reviewing our foreign and development policies.

(1545)

**Mr. Jim Hart (Okanagan—Similkameen—Merritt):** Mr. Speaker, it is an honour to participate in the debate on the motion put forward by my party. Hopefully it will bring the unresolved issues of the Auditor General's report to light.

I would like to start by quoting from the report: "Today it is clear to both public servants and parliamentarians that Canadians expect them to demonstrate sound and prudent management rather than finding new ways to spend borrowed money". I believe the Auditor General is saying that Canadian taxpayers are demanding greater accountability.

It seems odd that eight corporations are exempt from the Auditor General's scrutiny. Under section 85(1) of the Financial Administration Act, the Bank of Canada, the Canada Council, the Canadian Film Development Corporation, the Canadian Institute for International Peace and Security, the Canadian Wheat Board, the International Development Research Centre and the National Arts Centre have been exempted from the sections of the Financial Administration Act that provide for good management and accountability. The CBC is also exempt although it has since incorporated provisions of the Financial Administration Act in its own legislation.

*Supply*

The Auditor General has raised this issue several times over the past five years and it still remains unresolved.

Let us examine why these corporations are exempt from the Financial Administration Act. Apparently they need to be at arm's length from government. Then we must pose the question, who is the government? The easy answer is, they are the members opposite in the House. If you go deeper than that, the answer is the people of this country. It is saying these eight crown corporations have to be an arm's length from the people of Canada, the people who pay the bills for these corporations.

What does it all mean? According to the Auditor General their exempt status means there are not explicit requirements for these corporations to table corporate plan summaries in Parliament to inform Parliament of their objectives. They are not required to fulfill certain management responsibilities. They are not required to give assurances that the assets of these crown corporations are safeguarded. They are not required to undertake an internal audit or even establish audit committees on their own board of directors. There are no explicit requirements for them to be subject to an explicit legislative requirement to undergo special examinations of value for money audits by the Auditor General, which are an important part of the annual audit and accountability provisions of the Financial Administration Act.

This is not to say these crown corporations are not fulfilling these requirements. Rather the problem is they are not required to submit to this process of accountability as all other crown corporations are required.

I commend some of these crown corporations which have undergone value for money audits. Even if they do undergo these audits they do not have to make them public. They are at arm's length. They do not have to be accountable to the people of Canada. The Auditor General, millions of Canadians and I are concerned that this lack of mandatory accountability leads to three specific problems.

First, Parliament may not have sufficient information to fill its role in scrutinizing and authorizing the use of public funds.

Second, the crown corporation's management has the responsibility for economic, effective and efficient use of resources but this is not clearly defined.

Third, these corporations are not subject to an audit regime that is sufficiently broad to address all issues of concern to the members of the House.

What is most important about the Auditor General's comments is that we as parliamentarians are not able to gain enough information about how the taxpayers' money is being used by these exempt corporations. It affects our abilities to make good and responsible decisions. This is especially important since

Parliament appropriates hundreds of millions of dollars each year for these corporations.

(1550)

I would like to give this House one specific example that I think captures the need for these crown corporations to be more accountable.

Late last month the Auditor General undertook a special examination of the National Arts Centre Corporation and found that serious deficiencies exist in the way the National Arts Centre Corporation handles its finances. The NAC operates on a budget of \$40 million a year and has a staff of about 300. Since the NAC is exempt from special examination by the Auditor General it was a very tedious and long process for Canadian taxpayers to discover how their money was being spent.

Let us look at the process. It dates back to 1990 when the standing committee of this House on communications and culture recommended that the Auditor General do an examination of the NAC. Its board members had to approve that request and they did. The Auditor General then started his investigation which covered the period between September 1991 and March 1992.

The report was not presented to the NAC board until May of 1993 partly because of a dispute between the Auditor General and the NAC over the public release of this information. Finally in January 1994, almost four years after the initial recommendation was made, the report was made public.

In its response to the Auditor General's report the NAC board recognized that improvements were needed in its financial management. Quoted in the *Ottawa Citizen*, the National Arts Centre Corporation also made what I consider to be a very revealing comment: "Given the limited resources which the centre's management had at its disposal, tackling the institutional mentality rooted in two decades of lack of accountability has been a monumental task".

This raises two questions. For how long have Canadian taxpayers' dollars been spent inefficiently while the National Arts Centre Corporation developed an institutional mentality rooted in the lack of accountability? Why did it take almost four years for the Auditor General's report to reveal this situation to the Canadian public?

As the Auditor General has stated and as the House committee on communications and culture stated in 1991, these exempt crown corporations must be moved into part X of the Financial Administration Act so that the Auditor General can undertake special investigations of these corporations. The Minister of Finance said this week that he does not agree with these recommendations. However, I think the NAC example shows the necessity for these changes.

*Supply*

Canadian taxpayers are now demanding that governments spend their tax dollars efficiently and effectively. I do not believe that we or the Canadian taxpayers have the luxury of exempting crown corporations from these special examinations. Everyone must be held to a standard of financial accountability.

The cynicism people have about government can be partly attributed to the waste and mismanagement that can be found in government. We should take every step possible to address this issue and promote the effective use of tax dollars.

I urge all members of this House to support this motion. I urge the government to introduce legislation to act upon these recommendations of the Auditor General and to make these crown corporations more accountable for their financial practices by moving them into part X of the Financial Administration Act.

Members of this House not only campaigned on accountability, but each and every day we all use those words. We must be accountable. If we are going to talk the talk, we must walk the walk. This is an opportunity to show the Canadian public that this government will be truly different from previous governments.

**Mrs. Beryl Gaffney (Nepean):** Mr. Speaker, I compliment the member from Okanagan on his speech. My ears picked up when I heard him talk about the National Arts Centre. I am not going to disagree with what the member had to say. In fact, I agree there has been a siege mentality at the National Arts Centre that must be overcome.

(1555)

However, I think that one of the main stumbling blocks is gone. The director general of the National Arts Centre was released from his position just a few weeks ago by the board of the National Arts Centre. I think the number one siege mentality was there.

I think we have to go one step further. I believe that the National Arts Centre must be responsible to this Parliament. Presently it is responsible to Treasury Board. The chairman of the board was appointed by an Order in Council and he was reappointed for another five-year term just prior to the previous government leaving office. I think that has to be corrected before we can get an active input into how the National Arts Centre is maintained.

The National Arts Centre is a Canadian institution. It is the arts centre of all Canadians and it is something that we should all be proud of. I cannot remember the dollar figure but a few dollars from every Canadian went to build that project and it is something that we should all be proud of. It is not Ottawa's. It is not ours just because we live in the nation's capital.

We have to move beyond what has been happening there and look forward to the future and develop our arts and develop our orchestra so that we can all be proud of it right across this country.

I am agreeing with the member. I am not disagreeing. I want us to move forward and make the centre responsible to this Parliament so that he and I as parliamentarians can have some input and some say into how it is being operated.

I do not have a question. I am just agreeing with the hon. member for Okanagan—Similkameen—Merritt.

**The Acting Speaker (Mr. Kilger):** Well it is Friday and in that spirit of agreement, would the hon. member for Okanagan—Similkameen—Merritt wish to comment?

**Mr. Hart:** Mr. Speaker, I would like to thank the hon. member for her comments. Each and every day that I sit in this Parliament as something new in my career, I find it very enjoyable that we can find common ground among many of the players in this House. I would like to thank the member for her comment. The Canadian people do require accountability and I think it is incumbent upon us to supply it for them.

[*Translation*]

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I certainly did not want us to run out of speakers towards the end, and since I saw no one else who wished to speak, I thought I would take this opportunity to put to my colleague some questions about the motion before us today.

We talked about a lot of things, I mean all kinds of things, but it does not change the fact that we have before us a motion of about 1,000 words that just calls on the government, and I quote:

— to demonstrate its commitment to accountability and to the efficient and effective use of public funds by reporting to the House, no later than the first week of June each year, what measures have been taken—

to review the deficiencies in various departments.

Does our colleague know that, according to current parliamentary procedure, we do have a framework within which we are able to undertake every year a complete review of the budget estimates of every department, particularly as, pursuant to Standing Order 108(2), any parliamentary committee can undertake a detailed study on any matter, without asking anyone's permission, as long as the committee does not travel outside the national capital region?

Third, if expenditures are incurred, the public accounts committee is empowered to examine all previous expenditures, including the report of the Auditor General.

I did not want to miss this opportunity to raise the following question: Are the members opposite trying to do what the members from the Bloc did yesterday, that is, create even more duplication and overlap, contrary to what they are supposedly advocating?



*Supply*

[English]

**Mr. Hart:** Mr. Speaker, I thank the hon. member. I do not believe we are trying to mirror the image of the Bloc whatsoever. We are suggesting that there has to be more accountability, more improving upon the system that we already have in place, making it better.

I am not suggesting at all and I do not think any members of the Reform Party are at all suggesting that we should create another department. As a matter of fact, we would be totally opposed to such an argument. I do feel that the illustration that I presented in this House this afternoon is an example that, yes, while our committees can suggest special investigations and special audits and do this, the length of time is totally unsatisfactory to me, many other members of this House, and to the Canadian people.

If their money is being spent and if there is an indication that there could be something wrong, the Canadian taxpayer has the right to know, as does this House, as soon as possible. Four years is unacceptable.

**The Acting Speaker (Mr. Kilger):** In the final 60 seconds remaining before we adjourn I will recognize the member for St.

Albert, being the mover of this motion on behalf of his party, if he would like to make one final comment in this last minute before we adjourn.

**Mr. John Williams (St. Albert):** Mr. Speaker, you caught me unaware but certainly I have enjoyed the tone of this House today. We have been constructive in our debates. We have recognized that the Auditor General has a real role to play as our servant to ensure that the taxpayers' money is spent wisely and well.

As I mentioned earlier this morning, this is only the third time since the position of Auditor General was created in 1878, I think it was, that we have debated his report in this House. I gave notice that we will be back debating this again and I would hope that we can enter into some kind of arrangement with the government to ensure that this becomes an annual debate.

**The Acting Speaker (Mr. Kilger):** It being 4 p.m. it is my duty to inform the House that pursuant to Standing Order 81(17) proceedings on the motion have expired.

This House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 4 p.m.)

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