



House of Commons Debates

VOLUME 133

NUMBER 046

1st SESSION

35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Monday, April 11, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Monday, April 11, 1994

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

COMMEMORATIVE MEDAL

Mr. Bill Blaikie (Winnipeg Transcona) moved:

That, in the opinion of this House, the government should honour the contribution made by those who served Canada's armed forces during World War II at the Dieppe raid by striking a distinctive medal for Canadian veterans of this battle.

He said: Mr. Speaker, I would like to begin this morning by thanking all the hon. members who formally seconded my motion. As you may be aware, Mr. Speaker, there is a procedure by which members can formally second a motion and up to 20 members may second any motion. I had more than I needed. I had 20 and others who wanted to get on the list. I would also like to particularly thank my colleagues this morning, the member for Kamloops and the member for Saskatoon—Clark's Crossing who are here to second my motion as it got on the floor.

The motion today is to right a wrong which has been felt by veterans of the Dieppe raid for a long, long time. It is the absence of any distinctive recognition of their participation in that particular raid.

I begin by reminding the House that in the summer of 1942, when the Axis powers were at their peak and threatening world domination, 5,000 Canadian soldiers willingly participated in a raid on the occupied French coastal town of Dieppe, France. Operation Jubilee, as it was known, proved to be an allied plan that had catastrophic and at the same time critical results for future allied plans.

The catastrophe was 959 Canadian soldiers killed, 1,200 wounded and 1,900 more taken as prisoners. No other battle in the history of the second world war had similar consequences all in a single day: August 19, 1942.

Despite the horrific losses there were significant lessons learned from the raid. This painfully gained knowledge proved crucial to the success of the D-Day planning in 1944. Without the sacrifices of August 1942 many believe that the success of the Normandy landings would have been in serious jeopardy.

(1105)

This year we celebrate the 50th anniversary of the D-Day invasion. In 1992 we celebrated the 50th anniversary of the Dieppe raid. At that time I had the privilege of participating in the pilgrimage to Dieppe, which took place alongside the pilgrimage to Vimy when we were celebrating the 75th anniversary of the battle of Vimy Ridge.

I also had the honour, thanks to the then Minister of Veterans Affairs, of playing the lament at the Dieppe cemetery. The privilege was afforded to me by the minister as a result of my own service in the Queen's Own Cameron Highlanders of Canada stationed in Winnipeg at Minto Armouries.

I say this by way of a little personal history. I first became aware and conscious of the Dieppe raid when I was very young as a member of The Cameron Cadets in Winnipeg and later as a member of the militia unit, the Queen's Own Cameron Highlanders of Canada where I served in a pipe band for many years.

One of the people who instructed me at that time, Pipe Major Alec Graham, was a piper at Dieppe and one of the people who played the pipes on the landing craft as they came into the beach at Pourville where The Camerons along with the South Saskatchewan Regiment landed.

I have had the opportunity of being at Pourville and of seeing the beach and the conditions under which The Camerons and the South Saskatchewan landed. I also saw the main beach where the Essex Scottish and the Fusiliers de Mont-Royal landed and the beach at Puy where the Royal Regiment of Canada landed and took the heaviest casualties of any regiment ever in one day in Canadian history.

Dieppe was a particularly tragic event, as many more Canadians are aware of today than they might have been just a while ago thanks to the television series on Dieppe. Regardless of what one might think of the events and the interpretation of events, certainly there is no question that many young Canadians were tragically killed, wounded or captured in that battle.

Private Members' Business

It is only fitting at this time that the government should move to do what many have been asking it to do for years, to strike a distinctive medal for those who have participated in the Dieppe raid.

I might say in anticipation of what the arguments might be that Canada now has the power to award its own medals even though at the time during the second world war and subsequently we were part of the Commonwealth system of honours and medals. Since 1968 we have had the ability to award our own medals as we did only recently with respect to the gulf war. I hope I am not going to hear from people on the other side that this is something beyond the capability of a sovereign country like Canada to do if it so chooses.

I want to indicate at some point that I will try to seek unanimous consent for this motion to be voted on and agreed upon even though it has not been chosen as a votable motion. We know that the House can do this with private members' motions if the members so choose. I have not had anybody say to me that this is a bad idea. I have had nothing but letters from various members of Parliament from all sides of the House saying that the motion should pass. I have had people eager to second it.

I hope we will not see a government member get up with notes prepared by the Department of Veterans Affairs or whatever to give the contrary argument and say no at the end when we ask for unanimous consent to have the motion passed.

I remind members, particularly those on the government side who may have been asked to do this, this is not a binding motion. It is not a bill. It is a motion and if it passes it would simply give the government ammunition, if you like, in trying to go ahead. It would help to create momentum. It would give a government that wanted to do this the ability to say: "We do this with the expressed and unanimous backing of the House of Commons". I do not see any good reason, other than a sort of small mindedness with respect to the fact that I am not a government member, or whatever the case may be, for not allowing the motion to go ahead.

(1110)

Another argument might be advanced. I hope the argument will not be offered, but I have heard it in private conversation, that Canadian medals have tended to be awarded on the basis of campaigns rather than battles.

One will find if the records and the situations are examined that this still leaves room and can be used to argue for a distinctive Dieppe medal because participants in the Dieppe raid did not receive, as I understand it, the campaign medal that many other veterans received, the France–Germany medal. This medal was not awarded to them because they did not participate in the events in France and Germany following the D–Day invasion.

At one point they did receive a campaign medal which would have satisfied their desire to be recognized. They were awarded a 1939–43 star but that later was revoked for reasons that no one seems to be able to come up with. It was extended and made the 1939–45 star which offers no particular recognition to those who participated in events like Dieppe before the Normandy invasion.

All the Dieppe veterans are asking for is something which recognizes they were part of that campaign and in this case a particular event that was central to the pre–Normandy campaign. They do not have that. They have been asking for it and I simply ask how long do they have to wait? Time marches on, as the old hymn that is used at Remembrance Day services, "Abide with Me" says: Time like an ever rolling stream bears all its sons away. Time is bearing all the veterans of Dieppe away as it will bear all of us away some day.

Therefore, in this year of remembering when there are so many brochures and pamphlets from Veterans Affairs and elsewhere, all of which are appropriate, why today can we not do something concrete, not expensive and something which will bring Canadians together.

One thing that struck me when I was at Dieppe and had struck me before at Canadian war cemeteries is that row on row, no distinction is made between veterans of the Fusiliers de Mont–Royal or the Queen's Own Cameron Highlanders of Winnipeg. Canadians of French, British and other origins lie side by side in Canadian war cemeteries. It ought to be mandatory for every member of Parliament to visit these cemeteries and to get a tragic sense but nevertheless some pride of the unity with which Canadians have fought in World War II and before that in World War I.

I know there are others eager to speak on this. I hope we can do this. Certainly there is precedent for motions like this passing which have had no expressed opposition. I have a letter from the minister saying the government is intent on some form of recognition for Dieppe veterans. I say that the form of recognition the Dieppe veterans want and that the Dieppe veterans deserve is this medal. They do not want a picnic. They do not want some kind of special event. They want what they are asking for.

I hope the government will use this opportunity, which is Private Members' Business after all. We do not have on the other side an emissary for the government to talk this bill out or to deny unanimous consent. It would be a tragedy and a travesty as far as Private Members' Business is concerned. I have not yet heard a private member say he or she is opposed to this motion. I have had private members indicating to me that they are in favour of it. I would encourage the House to give unanimous consent when the time comes to have the motion voted on and passed.

Private Members' Business

(1115)

The Deputy Speaker: Is it the wish of the hon. member for Winnipeg Transcona to ask for unanimous consent that this be votable?

Mr. Blaikie: Yes, Mr. Speaker, if this is the appropriate time to do so. I would like to ask that this motion with the unanimous consent of the House be made votable and that a vote be taken if need be. We might agree to pass it at the end of the hour.

The Deputy Speaker: The hon. member has the floor and will not have the floor again, as he knows. He has heard the comments from the other side and I take it he is not going to ask for unanimous consent at this point while he has the floor.

Mr. Blaikie: Mr. Speaker, I can get up on a point of order at the end but I might not be able to and there is no reason why, if the House is willing at his point, we do not pass the motion now by asking that the motion be made votable. Debate continues.

I would like to ask now that the motion, by unanimous consent, be made votable.

Mr. Keyes: Mr. Speaker, I hope that we continue to hear from the hon. member opposite with whom I have had the opportunity to work on that side of the House.

I respectfully suggest that the hon. member might want to hear first from other members in this House who may contribute to his debate. He might want to hear the reasoning of other members in this House before calling the question he might want to call. He can do that by calling for a point of order later on in the proceedings, a couple of minutes before high noon.

Mr. Blaikie: Mr. Speaker, I do not want to get involved in a procedural wrangle. On the other hand, I do not want to be hoodwinked either. I do not want to be trying to get up on a point of order at the end when somebody is talking and not be able to get up.

If it would facilitate the debate and the possibility of unanimity I would say fine. Either I or presumably somebody else could do the same thing, ask on a point of order toward the end of the hour that the motion be made votable.

I do not see anything wrong with asking that it be made votable now. It would not prevent other arguments from being heard. It would not prevent other points of view from being heard. It would just mean that would be done.

I am not interested in picking a fight with the member at this point and I hope that he would be true to his word and ensure that I get the opportunity to do that at the end of the hour.

Mrs. Jean Payne (St. John's West): Mr. Speaker, I would like to say a few words regarding motion M-143 as proposed by

the hon. member for Winnipeg Transcona. I am a great supporter of any honours for our veterans and I sympathize with the intent of the hon. member in putting this motion forward.

I certainly commend the hon. member for bringing the issue to the attention of this House. In that regard the consultative process now under way with the interested parties is commendable. I am certain all hon. members trust that the discussions will arrive at a successful conclusion.

I must also point out that this is a sensitive issue. It must be considered within the context of the protocol and traditions of the Commonwealth system of honours and awards to which we as a nation have agreed.

The Dieppe raid was a catastrophic moment in Canadian history. Every Canadian was touched in some way by the horrifying losses Canadians suffered on that day in 1942.

It was also of tremendous importance to the allied war effort. No matter how one interprets the events surrounding the plan of the operation, the hard lessons learned from the disaster contributed to the successful D-Day landings, the 50th anniversary of which we will mark this June.

The veterans of the Dieppe raid have made an enormous contribution to our country and they should be honoured in every way.

I understand the Dieppe veterans' frustrations and I sincerely hope their desire for further recognition can in some way be accommodated. I do want to remind the House that the Dieppe veterans have been honoured in many other ways.

The Dieppe veterans have not been forgotten. They have been eligible for Canada's outstanding veterans program, including POW compensation, a very tangible recognition of their contribution to the war effort and to this country.

(1120)

Regimental memorials have been erected along the beaches where the Canadians fought that day. Monuments are also located at Puy, Pourville and Dieppe, as the hon. member has already mentioned.

These memorials pay tribute to the members of the Royal Regiment of Canada, the Royal Hamilton Light Infantry, Les Fusiliers Mont Royal, the Calgary Regiment, the South Saskatchewan Regiment and the Queen's Own Cameron Highlanders of Canada who gave their lives in the raid. These regiments also proudly display the Dieppe battle honour on their regimental colours.

The town of Dieppe has also created a small park where it has erected a monument of its own recounting the long relationship between Canadians and the people of Normandy, commemorating the raid on Dieppe.

Private Members' Business

At war's end Dieppe veterans also received a number of war service medals, including the 1939–45 star, the Canadian volunteer service medal, the war medal of 1939–45 and in many cases the defence medal. Many Dieppe veterans have also received individual awards for personal valour.

Perhaps best known among them are Charles Cecil Ingersoll Merritt and John Weir Foote, recipients of the Victoria Cross.

Lieutenant-Colonel Cecil Merritt landed that day at Pourville. As the men struggled to cross the bridge over the river Scie he walked calmly into the storm of enemy fire on the bridge and led party after party across the bridge with his example.

Despite their best efforts, however, the Canadians were forced to withdraw and again Cecil Merritt displayed his courage. Twice wounded, he led a vigorous rear guard action that enabled many men to reach the landing craft that waited to rescue them. Lieutenant-Colonel Merritt and his men were unfortunately not lucky. They could not reach the craft and were captured and taken prisoners of war.

Similar courage was shown by Reverend Foote that day. Through eight hours of fighting John Foote repeatedly exposed himself to enemy fire as he worked again and again to move the injured to an aid post. He saved many lives with his selfless effort.

Then at the end of the battle when he could have sailed away safely, he climbed back down from the landing craft and walked toward the enemy lines to be taken prisoner. In this way he made himself available to minister to his fellow Canadians as they were held prisoners of war. Foote and his comrades were held captive for the next three years.

Cecil Merritt and John Weir Foote were most deserving recipients of the Commonwealth's highest military decoration for bravery. Their stories of courage deserve to be told again and again, as do many others.

For this reason, I am glad this issue has come to public attention. I am very pleased the story of Dieppe presented on national television not long ago has been brought to our attention. It is fitting that Canadians be reminded of the courage and valour displayed by their countrymen at Dieppe more than 50 years ago. We must never forget this chapter in our history.

That is why I heartily support a new commemorative program called Canada Remembers. Over the next one and a half years the Canada Remembers program will mark the 50th anniversaries of the final events of the second world war. It will honour the contributions of the Canadians who served overseas during wartime and the millions of Canadians who supported them back home.

I am particularly excited that this program will reach out to younger Canadians, providing them with an opportunity to learn

more about the sacrifices made by a whole generation of Canadians to secure peace and freedom for all of us.

Initiatives such as these are important if we are to maintain an understanding of the impact of the second world war on the development of this country and if we are going to keep a sense of our military history alive.

Canada Remembers is for all of our veterans, the Dieppe veterans included. I hope they will attend the many national and local events being planned for them. The honours and tributes they receive will be well deserved. They have earned them many times over.

In response to the hon. member's motion I would like to recommend that the motion be amended in view of the remarks I have just made.

(1125)

I move:

That the motion be amended by deleting the words "striking a distinctive medal" and substituting therefor the words "establishing an appropriate decoration".

I am sure the hon. member is aware of the reasons for this amendment. I thank him once again for the motion.

The Deputy Speaker: The amendment is in order.

[*Translation*]

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion presented by the hon. member for Winnipeg Transcona. I agree with the hon. member and with the hon. member for the Liberal Party that the veterans of the Dieppe raid deserve our gratitude for their courage and, unfortunately, their determination in circumstances in which it was very difficult to survive. We know that nearly 5,000 Canadians took part in the Dieppe raid in 1942. More than 907 died. The operation was unsuccessful and one could practically call it a massacre.

However, according to some experts and the hon. member for Winnipeg Transcona, this operation probably helped pave the way for the D-Day Invasion in 1944, whose fiftieth anniversary we will soon be celebrating.

Perhaps I may depart somewhat from the position taken by the hon. member who moved the motion and say that I am rather intrigued that the hon. member has almost made this a personal crusade. Since 1983, he has been trying to put a motion through the House to strike a special medal for Dieppe 1942. There have been varying responses to this proposal over the years. It was repeated in June 1983 and September 1983 by the hon. member for Bow River at the time, with the same request to strike a medal for Dieppe. All sides of the question were discussed but the medal was never struck.

When the hon. member mentioned earlier that he had never heard anyone say they were against striking a medal in recognition of the courage and efforts of those who took part in this raid, he is perfectly right, except that in 1951, it was agreed by members of the Commonwealth, by Canada and Great Britain,

that medals would be struck only for campaigns and not for specific places, because otherwise, medals could be struck for all the beaches where an invasion took place, whether it was in 1942 or 1944. There was also the battle of Vimy Ridge, where nearly 50,000 Canadians were either killed or wounded during World War I. A whole series of medals might have to be struck.

What bothers me is that whether a veteran defended his own country or other countries in this place or that, against German or other invasions, I do not think we can strike medals for specific places, as if it were a distinction to have fought in such or such a place, as though one battle were worth more than another. I think that in a way, this discriminates against those veterans who did not fight at Dieppe but on Juno Beach or at Falaise or Caen. Why should they not also receive a commemorative medal? Perhaps I am playing devil's advocate because I realize that, in moving this motion, the hon. member for Winnipeg Transcona means well, but I have a hard time understanding the very specific reasons for striking this kind of medal.

(1130)

As a member of the Standing Committee on Defence, I would argue—and I think that this is what veterans want—that we have received requests from veterans and also from veterans of the merchant marine. My sense is that they do not necessarily want to be awarded a medal, but would rather receive some financial assistance and help in their lives today. We have received requests of this nature. Instead of debating whether or not to strike a new medal, the Standing Committee on Defence should proceed quickly to review specific requests from Dieppe veterans. Since the Dieppe Raid took place 52 years ago, there are not many survivors left and it is therefore important to move quickly on this matter.

In conclusion, since the hon. member for Winnipeg Transcona has sought unanimous consent for the striking of a new distinctive medal, I would like to point out that throughout Canada's history, no special medal has been struck to specifically commemorate a given place or battle in a given war, with the possible exception of the Gulf War medal.

To commemorate a special battle, a distinctive ribbon has until now been affixed to a medal or star. You may recall having read about the battle of Inkerman which resulted in numerous Canadian and British casualties. A distinctive ribbon commemorating this engagement was issued.

Instead of striking a new medal, perhaps a distinctive ribbon or decoration could be issued, as my colleague from the Liberal Party suggested. And perhaps the debate should focus more on responding more quickly to the requests of veterans, regardless of where or when they fought.

Private Members' Business

I have some difficulty with the idea of commemorating a specific engagement or battle when throughout Canadian history, countless Canadians and Quebecers have taken part in different engagements and have bravely defended their country and others as well. Why single out the Dieppe Raid, even if this massacre unfortunately resulted in the loss of many lives and affected many Canadians? To agree to this would be somewhat discriminatory toward those veterans who participated in other campaigns. For these reasons, I propose that this motion not be adopted.

[*English*]

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, although it may be a trifle repetitive, my speech will deal with a historical aspect of Dieppe. I think this is not inappropriate when one considers the importance of what happened at Dieppe and the impact it had on Canadians.

Just before dawn on August 19, 1942 a swarm of landing craft approached the coast around the French town of Dieppe on the English Channel. The largest raid in history, code named Jubilee, was on. A flotilla of 250 small naval craft was engaged and overhead the largest single air battle of the war was about to commence.

The attack on Dieppe was planned as a reconnaissance in force ostensibly to assist the capability of the allies to launch large scale amphibious assaults against German defences in Festung Fortress Europe. Notwithstanding their lack of combat experience, almost 5,000 Canadian troops conducted the frontal assault on Dieppe. Supporting their efforts were battle hardened British commandos assigned to attack and subdue German coastal batteries to the east and west of the town. Their attack on the guns at Varengeville-sur-Mer to the west was completely successful. But at Berneval to the east they were not.

(1135)

The town of Dieppe in peacetime, a pleasant minor resort, had in war become a fortress. Though the town itself was of slight importance, the Germans saw in Dieppe an obvious point for a British attack. It was within range of RAF support and it was familiar as the terminal of the Dieppe-Newhaven ferry.

The two storey casino fronting the beach had been heavily fortified. The beach itself was covered by machine gun points along the housefronts and at the ends by pillboxes and a tank set in concrete.

These strong points together with guns sited in caves on both headlands of the horseshoe shaped harbour permitted raking fire right across the beach. While the British commandos achieved partial success, overall Dieppe has been assessed as a major disaster.

Private Members' Business

My purpose today is to speak in support of the proposal to honour those who fought at Dieppe, not to cast blame on the planners of Operation Jubilee.

Notwithstanding, it is worth noting that Lord Lovat, leader of the successful British commando group at Dieppe, later commented: "Only a foolhardy commander launches a frontal attack with untried troops, unsupported, in daylight, against veterans dug in and prepared, behind concrete, wired and mined approaches, an enemy with every psychological advantage".

The raid on Dieppe lasted only nine hours but of the nearly 5,000 Canadians involved more than 900 were killed, 1,900 were captured and of those more than 600 were wounded. As prisoners of war they would spend the next three years in captivity.

Dieppe accounted for more casualties than Canada sustained in the 11 months between the D-Day landings at Normandy in June 1944 and the German surrender in May 1945.

The assault on Dieppe also became the scene of the largest air battle of World War II. Sixty-six squadrons, Spitfires, Hawker Typhoons and Hurricanes, about 730 single-seat fighters, flew 2,111 sorties in which 88 aircraft were lost.

Dual purpose aircraft and light bombers, Bostons and Blenheims, also supported the operations, losing 18 aircraft in the effort. In all 106 aircraft and 81 airmen were lost. Included were 13 Canadian aircraft and 10 pilots. German losses were 48 aircraft.

Assessing losses, the pilot casualties were considered moderate, the sailors, heavy. But for the soldiers and marines where the casualty rate reached nearly 60 percent, they were devastating. Overall, the casualty rate averaged more than 40 per cent, the highest in the war for any major offensive involving the three services. Many units were decimated beyond their ability to function as recognizable entities.

In the assault at Puys east of Dieppe, of the 500 men of the Royal Regiment of Canada and the Black Watch Royal Highlanders of Canada who landed, only six returned without wounds. Many landing craft never reached the beach and of the 27 tanks landed, only half managed to cross the sea wall and none penetrated the tank barriers protecting the town itself. Eventually all 27 had to be abandoned.

Two Canadians, Honorary Captain J. W. Foote of the Royal Hamilton Light Infantry and Lieutenant Colonel C. C. Merritt, commanding officer of the South Saskatchewan regiment, received the Victoria Cross for their actions at Dieppe. Lieutenant Colonel Dollard Menard, commanding officer of the Fusiliers

de Mont-Royal, was badly wounded and decorated with the Distinguished Service Order for his gallant leadership.

Lord Mountbatten, commander of the combined operations headquarters which planned Operation Jubilee said Canadians "paved an example of courage, and everything they possibly could be called upon to do, they did".

(1140)

Another planner and Jubilee's naval force commander, Captain Hughes-Hallett, said: "The thing to remember was that they," the Canadians, "did the operation and that is more than can be said for some of the crack formations which had been selected for earlier operations. The great thing was that Canadians were not only brave but they were bold as well. They were prepared to chance their arm and it was that that made the Dieppe operation possible".

The assault on Dieppe has been described in many ways. The Encyclopaedia Britannica states: "It furnished useful lessons for the future in the problem of invading a well-defended coast. Although the cost was very high it showed the possibility of achieving a large-scale landing under modern conditions while bringing out mistakes that were to be avoided".

General Dwight Eisenhower credited Dieppe with "having provided many useful lessons".

Just a few months after the raid Lord Beaverbrook confronted Mountbatten at a dinner party saying: "You have murdered thousands of my countrymen. You took those unfortunate Canadian soldiers. They have been mown down in their thousands and their blood is on your hands".

The Canadian Encyclopaedia says of Dieppe: "The raid did provide valuable experience for subsequent amphibious assaults in North Africa, Italy and most notably Normandy of 6 June, 1944". It then goes on to say it was a major disaster.

Brian Loring Villa in his book *Unauthorized Action* classifies Dieppe as a historical tragedy.

Accepting all these viewpoints and after the fact assessments of the raid, we should remember that at Dieppe Canadian troops, fighting in their first major action of the second world war, acquitted themselves with determination, bravery and honour. Under the conditions imposed they were involved in an impossible task. This fact should be registered, regretted and not forgotten.

The Canadians who participated in Operation Jubilee deserve our respect, our admiration and our proud recognition. If ever a battle has been worthy of commemoration by presentation of a medal to those who took part, Dieppe is such a battle.

Private Members' Business

I urge this House to give unanimous support to private member's motion No. 143 so that Canada can at long last provide tangible recognition of a sad but proud day in our history.

In just four months it will have been 52 years since the assault on Dieppe. Even the youngest participants who survived are now in their seventies. It is long past time for Canada to officially recognize the Canadians who fought at Dieppe.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I would like to deal with the motion in which the hon. member for Winnipeg Transcona proposes that the federal government strike an honorary medal for Dieppe veterans.

Like all Canadians, we have great admiration for Canada's veterans. No one has been more devoted to our country than these brave men and women, and I am still in favour of giving the greatest recognition for the services they rendered.

Of course we support the intent of the hon. member in presenting this motion, but I believe, as the hon. member for Charlesbourg said a moment ago, that other Canadians sacrificed their lives in the Second World War. We would not want to give the impression that we are overlooking not only those who sacrificed their lives but also those who were injured or marked for the rest of their days. That is not our intention, far from it.

Under the circumstances, and I believe that the hon. member for Charlesbourg was right to raise this issue, I feel that there is certainly another way to proceed. I believe that discussions on this matter should continue with the association of Dieppe veterans and prisoners of war—that would be a step in the right direction. I sincerely believe that the process of consultation should be given a chance before asking the House to act. Above all, we want to show that everyone who fought in the Second World War is on an equal footing.

(1145)

Nothing can diminish the heroism of the Canadians who took part in the Dieppe Battle. They showed incredible courage and a great deal of determination on that truly memorable day of World War Two. Because of their bravery, these Canadians will always have a special place in the history of this country.

On August 19, 1942, at daybreak, a little under 5,000 Canadians were in position off the coast of Normandy, prepared to risk their lives to break through Hitler's defences, known as Fortress Europe, and to open the way toward liberation. However, as soon as they set foot on the beaches in Dieppe, they realized that theirs was a totally impossible mission. What lay ahead was an absolute nightmare. Hundreds of young Canadians

were killed by enemy snipers shooting from positions on top of the cliffs.

We know now that they had been assigned an impossible mission. The surprise effect was ruined. Small groups did manage to approach their objectives, but most of the soldiers were easy targets on the beaches, as tanks got stuck in gravel and could go no further. For many of our men, attempts to make it back to the landing craft proved futile. Finally, fewer than half of the Canadians, many of whom seriously wounded, managed to escape this hell and return to England.

Losses were extremely high. Some 2,000 became prisoners of war and 907 were killed that day. News of this tragedy caused consternation from coast to coast.

I have known many veterans in my riding as well as in my home town, and I have heard quite a few stories about the Dieppe Raid. It is obvious that we are indebted to these men and women for their self-sacrifice; some gave their lives and lie buried in Normandy.

The hon. member's initiative cannot go unnoticed. It is up to us, on this 50th anniversary of that battle, to remind the people of Canada of the great sacrifices that were made for our country. If we have enjoyed unprecedented prosperity and peace after the war, it is thanks to these people. It is our duty here to express our gratitude for it is the highest form of justice on this earth.

I am convinced that these veterans will realize that Canadians never forgot what they did for their country. So, we should support our colleague's motion, which proposes changes designed to pay tribute to these people.

[*English*]

Mr. Stan Keyes (Hamilton West): Mr. Speaker, at first glance I applaud and totally agree with motion No. 143 moved by the hon. member for Winnipeg Transcona. It urges the government to strike a distinctive medal for the veterans of the Dieppe raid during the second world war. I have always favoured actions which pay tribute to Canada's veterans and which benefit these exemplary citizens.

With the amendment proposed by my colleague from St. John's West and with the acceptance of my friend from Winnipeg Transcona the government will have taken a giant step, along with that hon. member, in a process that will resolve the issue.

I am persuaded that members of the House ought to give the amended motion a chance to succeed. In the meantime the government is working with the veterans associations, including the Dieppe Veterans and Prisoners of War Association, the Department of National Defence and Government House to resolve the issue. They are exploring a number of options in order to find an approach that would satisfy Dieppe veterans

Private Members' Business

while honouring the traditions and upholding the integrity of the Commonwealth system of awards and medals. I am confident that by working together they will reach a solution soon.

(1150)

I have the privilege of being a member of Ontario's largest Royal Canadian Legion, branch 163 in Hamilton. It boasts a membership of 2,500. Who better to spend some time with, so I did just that last week. I asked the veterans what they thought of the special Dieppe medal.

Veteran Pat Gallacher is the president of branch 163. His first vice-president is Neil Murray, foreman of signals, who over his heart proudly wears the France and Germany star, the D-Day medal, the war medal and the 1939-45 star. On the other side of Mr. Murray's blue blazer is a host of legion medals. Both Mr. Gallacher and Mr. Murray told me that it was a good idea first to hear and consult with everyone involved in the matter of special recognition for Dieppe veterans.

They reminded me that the men who made up the Canadian assault force for Dieppe came from all corners of this country. "The boys were willing to serve their country", they said. They waited a long time to see action; while the Royal Canadian Navy and the Royal Canadian Air Force had been busy defending Britain the ground forces had to wait. For months they trained for the time when they would spearhead an attack on occupied Europe. When the call finally came they were anxious to do their best, but the Dieppe raid was not destined to be a victorious moment. It was a disaster. In the words of Gallacher and Murray, it was the worst thing they ever did, a big blunder.

In the end, pinned on the beach, the survivors were forced to surrender. These men spent three long years behind barbed wire. The legacy of Dieppe has been controversial. My vets say that it was a useless slaughter. Others claim it was a valuable if costly experience that enabled the allies to plan so well the much larger successful D-Day landings. I do not want to add to that debate today.

In Canada, Dieppe casts a long shadow in households from coast to coast. Canadians know why men like Neil Murray wear their military medals with such pride, but for many years they have been bothered by the fact they did not receive a medal that specifically recognized their efforts at Dieppe.

The France and Germany campaign medal was only awarded to those who took part in the D-Day landings in 1944 and the subsequent operations that retook Europe. This meant the men who were killed, who were badly wounded or who were taken prisoner never received a European campaign medal. In the end they had fewer medals than veterans who had faced similar circumstances, despite the fact that those men played a special role in the effort to free Europe.

Both Mr. Gallacher, president of the legion, and Mr. Murray, first vice-president, asked me to consider the American experi-

ence, all those American medals from campaigns to sharpshooting to attendance. "Is that what we want", they asked, "will we be striking more medals, beginning to diminish the importance of each of the medals we have now?". Mr. Murray said that they should have struck a medal for Dieppe a long time ago and that maybe now it is too late.

We should give them a bar to recognize their participation at Dieppe to put on any war medal. After all we must respect the protocol and tradition of the Commonwealth system of honours and awards. In seeking to satisfy the interests of the Dieppe veterans we must heed the concerns of all our vets. I am confident we will do just that. Canadians realize they owe the veterans of Dieppe an incredible debt. It is a debt that is in many ways unpayable.

In closing, we want to ensure that veterans have been thoroughly consulted on the matter of recognition for Dieppe veterans. We must be reminded of the courage displayed by them more than half a century ago. We must not forget. I ask my colleagues in the House to support the amended motion put forward by the hon. member for Winnipeg Transcona.

(1155)

Mr. David Iftody (Provencher): Mr. Speaker, I rise in the House today to speak on motion No. 143 put forward by the hon. member for Winnipeg Transcona.

The hon. member has suggested the government should honour the veterans of the Dieppe raid by striking a distinctive medal for these former members of the Canadian forces. I share the hon. member's desire and would like to add my personal commitment to see Canada's Dieppe veterans given proper recognition for their part in the ill-fated attack on Dieppe. These Canadians deserve every expression of our gratitude. However, as I will explain, there is already a process under way to resolve the issue and I feel the process deserves at least a chance to succeed. All Canadians would undoubtedly agree that Dieppe veterans should hold a special place in our history.

All members of the naval, ground and air forces that took part in the raid on the coast of France in 1942 exhibited great courage and bravery in the face of formidable circumstances. This is especially true of the members of the Second Canadian Infantry Division who disembarked on the beaches of Dieppe. These Canadians were proud to have been selected to breach Hitler's so-called Fortress of Europe but on that fateful day things went terribly wrong.

For our nation August 19, 1942 was one of the costliest days of the second world war. Of the almost 5,000 Canadians who embarked on the operation more than two-thirds suffered casualties. This included 907 Canadians who lost their lives and 1,946 Canadians who were taken as prisoners of war. Little more than 2,000 returned to England, many of whom were wounded.

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Dieppe therefore took a terrible toll on our wartime forces that Canadians have not and will not forget.

In recent months interested Canadians have been taking up the cause of Dieppe veterans. Aware that many of the Dieppe veterans did not receive as many medals as their comrades, these Canadians find it difficult to understand why Dieppe veterans have not been given greater recognition for their participation in the battle. Their concern is legitimate and understandable. In point of fact Dieppe veterans definitely appear to have been short-changed.

On the other hand, we must respect that during the second world war Canada and other Commonwealth countries agreed to a unified system of military medals. Since the battle of Dieppe was a separate military activity outside any particular campaign, the efforts of veterans were not recognized by a campaign medal. There is the source of this unfortunate discrepancy. Furthermore Dieppe veterans were eligible for personal awards for acts of valour. Two veterans, Cecil Merritt and John Weir Foote, received the Victoria Cross for their actions that day.

This is why I am prepared to support the amended motion that would read "a distinctive decoration" instead of "a distinctive medal".

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I would like to indicate my support for the amendment. Like many amendments it is not always exactly what we asked for, but I appreciate the willingness on the other side to make some progress here, to have the motion go forward and hopefully to create the kind of momentum I was talking about before.

I would ask, Mr. Speaker, that you seek unanimous consent to have the amendment adopted and then to have the main motion made votable so that we could proceed to pass the motion as amended.

The Deputy Speaker: The Chair senses that there is unanimous consent to pass both the amendment and the motion as amended.

Is it the pleasure of the House to adopt the amendment, by unanimous consent?

Some hon. members: Agreed.

(Amendment agreed to.)

The Deputy Speaker: Transferring the main motion as amended into a votable motion today, is the main motion as amended agreeable by unanimous consent to all members of the House?

Some hon. members: Agreed.

The Deputy Speaker: Shall the motion as amended carry?

Some hon. members: Agreed.

(Motion, as amended, agreed to.)

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(1200)

[English]

BUDGET IMPLEMENTATION ACT, 1994

The House resumed from March 25 consideration of the motion that Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, be read the second time and referred to a committee; and of the amendment.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as we resume debate today on Bill C-17 I welcome the opportunity to join my government colleagues in supporting this very important piece of legislation.

When passed, this bill will implement key aspects of the February budget plan, a plan for action in three core areas on behalf of all Canadians living in all regions. It is a plan to spur job creation and economic growth.

That is one reason Bill C-17 revamps the UI entitlements. These savings will allow us to reduce the payroll taxes identified by business, especially small business, as one of the major barriers to new employment.

It is a plan to get the deficit down and to set the foundations for a balanced budget because we have to stop mortgaging our children's future and pushing taxes eternally higher. This bill is a critical step in meeting this goal by restraining parliamentary and public service salaries and by reducing business subsidies for transportation and energy.

Let me emphasize that the fiscal action we are taking will not jeopardize the work that must be done to make the economy stronger and create opportunity. Losing jobs is no way to pay off debts, not for individuals and not for Canada as a nation.

It is also a budget plan to reform social security so we can boost economic opportunity while ensuring we can sustain the cost of Canada's social safety net. Here again Bill C-17 plays a vital role.

It does this not only through the actions on unemployment insurance but by providing the provinces with two years of certainty on federal transfers under the Canada assistance plan. This will help create the stable window of opportunity and co-operative environment that will allow the two levels of government to work together on this critical task.

More important, the critics and the cynics are absolutely wrong in assuming that this government's commitment to delivering on our deficit reduction pledge was mere political coin. Our government's goal is to restore federal economic

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credibility, not continue to debase it. The fundamental fact is with the February budget we have taken unparalleled action to meet the fiscal challenge and that is no exaggeration.

Measures in the budget result in gross savings of \$3.7 billion in this fiscal year, rising to \$13.6 billion in 1996–97. Over the three year forecast period of the budget gross savings total \$28.6 billion.

We have also taken action to encourage growth and job creation, action targeted at enhancing our economic muscle and confidence in the evolving global economy. We have done this in part because restored growth is an essential element of the deficit reduction strategy.

Even with the investments such as the infrastructure program and support for R and D, net savings in the budget total \$20.4 billion over three years. They deliver \$5 worth of spending cuts for every \$1 of revenue. These spending cuts are the most significant of any budget in the past 10 years.

Such measures are not a conclusion. They are simply a foundation. Let me echo what the Minister of Finance has said repeatedly, including at a meeting with major European investors today. The message of our government is very clear. The ultimate goal of this government is to eliminate the deficit.

The deficit ratio of 3 per cent of GDP by 1996–97 is exactly what we have always said it was, an interim target, one that has not been met for 10 years. We are going to meet it through the spending cuts implemented in this year's budget, not a subsequent budget.

The results of a major program review launched in February which should identify further opportunities for savings will be included in the 1995 budget. The goal here and in subsequent budgets will be to take us beyond our interim target on our way to balancing the books of this nation.

Some argue that our deficit action is too little, too slow. We believe, and many Canadians understand, that more drastic action could jeopardize Canada's return to economic health. That would ultimately sabotage our ability to sustain consistent fiscal improvement.

(1205)

We also believe that restoring budget credibility means looking both beyond and beneath the numbers. Our budget puts an end to many of the practices of the past. We have provided full accounting of all program costs. Nothing is hidden.

We built in substantial reserves to allow us to handle unforeseen contingencies without letting our fiscal objectives suffer. Just as important, we reversed the budget's bias in favour of optimistic, politically correct economic forecasts. As we all recognized in previous years, governments would set targets based on rosy projections in order to look good initially, only to fail eventually.

We believe it is more important to meet a target than to promote a wish list and then fall far short. It is crucial to re-establish the credibility of the government's economic projections. Therefore when we put together our budget we use prudent assumptions drawn from the pessimistic range of private sector forecasters. We believe that is a responsible way for this government to act.

Canada as elsewhere has recently witnessed some volatility in interest rates. That volatility makes the case for the prudent assumptions and contingency reserves built into our budget. We have ensured substantial room for manoeuvre. Interest rate fluctuations are not going to knock us off course. We remain confident that we will hit our targets.

I am glad to see that this confidence is shared by the Royal Bank's Ed Neufeld, the executive vice-president of economic affairs. I understand that at the Royal Bank's annual spring briefing on the economy last week he shared his view that we, the Government of Canada, are on track this year to reach our deficit reduction target.

At the same briefing the Royal Bank also forecasted that Canadian growth will accelerate to 3.5 per cent this year and 4.3 per cent in 1995. It is worth noting that this 1994 forecast is in complete harmony with preliminary reports on the upcoming IMF forecasts for Canadian growth this year.

These forecasts exceed the prudent projections on which our 1994 budget was based. They reflect what I believe was an objective assessment of the growing strength of our economic fundamentals, strength that the budget and other federal actions have contributed to.

Canada is now one of the lowest inflation countries in the world. We are going to stay that way. Last December the Governor of the Bank of Canada and the finance minister announced that the inflation targets which anchor our monetary policy, among the toughest in the world, will continue through 1998.

Another key fundamental is restoring fiscal responsibility to our public finances, a major goal of this legislation, Bill C-17. Let me again emphasize that we are working with the provinces to improve the national debt situation because this truly is a national problem. There are real grounds for renewed national confidence that this challenge can and will be met. It is clear that across Canada governments are applying themselves steadily to the course of fiscal discipline.

Let us remember that fiscal action by governments is only part of the answer for long term balanced budgets. A growing economy is also essential if our debt build-up is to be reversed. Here again there are real grounds for confidence. The economy is starting to grow more firmly. Growth was 3.8 per cent in the last quarter of last year based on solid exports and investment performance.

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Surveys for 1994 indicate that public and private sector investment will be up an impressive 4.2 per cent over 1993. Strong gains and competitiveness are behind the firming of economic growth and they too augur well for the future.

Unit labour costs are down and productivity is up. The big unit cost gap that opened up between Canada and the United States has essentially been closed. Our record export growth is the result.

(1210)

Those facts paint a picture of a competitive economy moving in the right direction. This was further confirmed by the March labour force numbers that came out last Friday. The unemployment rate dropped a full half percentage point, the largest contraction in 10 years since June 1984, and 114,000 new jobs have been created over the last two months, the strongest two month gain in almost five years. I welcome such news and all Canadians welcome this type of news.

There is no question we continue to face challenges and uncertainties. Dislocations can always emerge, sapping public confidence. That is why good news is never an excuse for complacency. That is why we will forge ahead with our strategy of re-engineering the way government operates and the programs it provides. These contribute to a stronger, more flexible Canadian economy.

Our action on unemployment insurance is an excellent example. We reduce spending on UI, something that will save us money. That also means we can roll back payroll taxes that have cost jobs across this country.

Looking at Europe anyone can see the cost of rigid labour market policies. We in Canada were close to developing a similar rigidity. We have now begun to move toward a more flexible system.

The redesign of unemployment insurance with greater emphasis on training to reintegrate the jobless and to discourage habitual dependence will make Canada's labour market much more flexible and efficient than is currently the case. The ultimate result will be a greater national capability to generate growth and, most important, jobs.

I have highlighted areas where our government is committed to fundamental, forward looking change, deficit reduction, support for job creation, social program reform, the process of budget making.

In closing, there is another area of change I want to emphasize. In our endeavour we are taking a new approach to the work of government. It is an approach based on openness, consultation and communication. That is why we framed the 1994 budget as the first part of a two stage process. It took immediate action to meet vital immediate goals but also launched the process of

policy review and public debate that will lead to further action in time.

Such an approach is not a case of deferring action or evading responsibility and leadership. Rather, it addresses a fundamental fact in Canadian life, a fact that impacts directly on economic relations. That fact, most important to this government, is that without reasonable consensus and a real sense of public participation and public ownership dramatic change can become a disastrous failure. We do not intend to create this type of failure because Canadians deserve success.

This budget was developed in the most open process we have seen in Canadian political history. It involved meetings across the country and involved an opportunity for Canadians to write the minister, participate in meetings and make their views known.

This process of openness will continue. We have evolved an open process on the budget in which we gave people in different cities a chance to set out the parameters for the expansion of the economy, for assisting the unemployed, for creating jobs and at the same time to begin to deal with the deficit which is a very real burden for all Canadians.

We will continue this process through the House of Commons, through the committee on finance this fall in which we anticipate the 1995 budget process will be even more open and more visible and more transparent so that Canadians can begin to understand and feel part of a process that spends billions of their dollars each year.

This bill will help achieve that success by moving us to real bottom line fiscal improvement and renewed business and investor confidence.

For this reason I have no hesitation in encouraging all members here today to pass this legislation so that we can continue to move ahead with vigour and vision.

(1215)

[Translation]

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I listened attentively to the hon. member's remarks and I feel that they represent the views of the Liberal Party. He is content with the budget initiatives put forward by the federal government and I find his speech extremely dangerous, despite his eloquence. He may be trying to lull people into a false sense of security. You know about the current crisis in Canada. I saw the poverty in my riding two weeks ago. One does not have to look very far to see that poverty is widespread; unemployment is very serious and people are concerned about the confidence they placed in the current government because they know that it did not do much in its last budget. It tried lukewarm measures that lack conviction, that lack direction.

For example, to reduce the deficit, the hon. member seems content with the deficit reduction that was announced and with the fact that the goal may be achieved, but I feel that several

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other measures could have been proposed to reduce this extremely alarming deficit that shook the stock market and sent the dollar tumbling.

We in the Bloc Québécois have proposed several measures to bring down the deficit, including cutting the fat from the federal government. There are hardly any measures in the budget to reduce waste in the federal government.

Would the hon. member agree to help reduce Canada's deficit? Would he agree to set up a parliamentary committee to examine spending and waste in government?

Mr. Walker: Mr. Speaker, I thank the hon. member for his questions. Poverty in this country is a very important issue to me because my riding is among the poorest in the country. In addition, in this budget, we tried to cover these issues of poverty and the deficit. We will ask the finance committee to discuss these questions in detail.

[*English*]

I think that the balance of trying to deal with questions of poverty, whether it be in Montreal or Winnipeg, is the question that haunts this whole country. This government does not for one minute take lightly the limitations it has in dealing with questions of poverty.

As a former critic on social policy for this caucus in opposition, I know we were very critical of the last government for not addressing questions of poverty. That is why we stabilized equalization payments and why in this particular act we have stabilized the Canada assistance plan. We have moved away from the war against the poor and moved toward supporting initiatives that can help them.

The Minister of Human Resources Development is very active. In fact he participated in a meeting this morning dealing with questions of income security and reforms to unemployment insurance to ensure they do not turn out to be an attack on those who are in need.

The President of the Treasury Board is addressing the questions of waste and the budget not only on an annual basis but I would say on a weekly basis. Great progress is being made to overcome questions of waste in individual programs.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened with interest to the comments of my hon. friend from Winnipeg North Centre in terms of the legislation before us.

I have a question for him dealing with the Royal Canadian Mounted Police and the problems faced by new constables. When they leave Regina, for the first three years of their service as new constables they receive six month pay increments to bring them up to a reasonable level of income. This legislation

not only freezes the level of pay but freezes any increment initiative as well.

(1220)

Young constables coming out of training are being asked to serve in cities like Toronto, Montreal and Vancouver. They simply cannot live on their stipend. It is impossible. These are bright, young, interested and aggressive young constables who want to serve their country at a time, I think we would all agree, when the need has never been greater and yet they cannot serve in at least some of these urban areas because of this freeze.

The hon. member will know that when the government changed the unemployment insurance program, which he referred to here, there was some acknowledgement that low income Canadians, particularly those with children, should receive some recognition for the changes in the economic plight that they face. Why would the government not do the same for these new constables?

I know that the commissioner has met with the government on this and has pleaded their case. Could my hon. friend shed some light on why the government at least to this point has not made any announcement that there will be some changes.

Mr. Walker: Mr. Speaker, I thank the hon. member for Kamloops for his question.

The broad brushes of the changes and the freezes and the extension of the freeze on public service salaries have obviously been of great hardship to the tens of thousands of people who work for us. It is something we take very seriously. The particular case of the constables is an example of the difficulties in which people find themselves at a particular point in their careers when the next move is out of the question because of some restraints on their compensation package.

I will undertake, as the member has, to raise it with the Treasury Board minister and the Solicitor General to ensure that as the salary freeze on public servants is extended for two more years, as it is in Bill C-17 to obtain the savings that Canadians are looking for, individual cases of hardship are brought to their attention.

Mr. Jake E. Hooppner (Lisgar—Marquette): Mr. Speaker, I have a short question for the hon. parliamentary secretary. I listened to the stats on unemployment. I also heard that there are 28,000 people who have given up looking for jobs. This is a big concern in Manitoba, especially on the farm scene.

Coming back from there, realizing what the transportation system is for grain and that the terminal operations cannot go to a seven day cycle to start moving grain faster, would the hon. member look at that and initiate some opportunities for people to be employed in that industry in order to give western Canadians a break so that they can really make and fulfil commitments with regard to foreign grain sales?

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Mr. Walker: Mr. Speaker, I thank the member from my province.

I do not think this government in any way, shape or form takes any solace in the figures that were released last Friday, except as an indication that perhaps things are getting better in some parts of the country.

We want to see several months of improvement. When one sees a rate of unemployment across this country that high, one cannot take any satisfaction from it. The member from Manitoba and the member sitting behind him from Winnipeg know full well that this situation is going to require a lot more intervention. It affects not only the city of Winnipeg and other cities across this county, but also the farm industry.

Any ways that the member can suggest to improve the efficiency of the grain industry, which is so important to the west and to places like Thunder Bay, Montreal, Vancouver and other ports, will be taken under advisement and discussed with the minister of agriculture.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, while we are on the topic of grain cars I would like to suggest to the government member and also to my Reform Party colleague from Manitoba that one of the problems is the fact that we have grain cars sitting all across the country. Many of them are in Manitoba, the old boxcar type grain cars, and they are not being used.

The reason they are not being used is not because of railroaders, the government or anybody else. As I understand it, it is because the pools do not want to hire people to man the elevators in order to use the old boxcars. They have cut staff at the elevators.

We have the grain cars to move the grain but the people who are responsible for employment at the elevators will not make it possible to use these cars. That is only one dimension of the problem but I think it is something that should be put on the record.

(1225)

Mr. Walker: Mr. Speaker, as the member for Winnipeg Transcona knows, the question of grain cars and the use of those cars is also tied into the Churchill route. As he knows, the member for Churchill has been very active in promoting the interest of that route and has been helped by the member for St. Boniface in whose riding the yards are located.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Mr. Speaker, I found my hon. colleague's speech most interesting. I hope everyone will read it to get a clarification of the wonderful role that has been played to date.

In his next series of consultations, I would ask that the minister please ensure that more women's groups, more older citizens and ethnocultural communities are consulted. I know we did a fair job but not a good enough job in their view. I would hope that some commitment would be made as we go across the country on the next round.

Mr. Walker: Mr. Speaker, I thank the minister for her comments. I just met on her behalf with a group of women from Winnipeg, a black women's coalition, who brought these types of questions to my attention. They are very much on my mind.

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, before I get into the content of what I wish to discuss, I would like to touch for a moment on the remarks of the previous speaker, the hon. parliamentary secretary for finance.

He painted a very rosy picture about the future of the Canadian economy. I would like for the sake of balance to point out some of the other opinions on where the economy is heading in the next little while.

First, over the last week we have seen a very volatile stock market. The dollar continues to be extremely volatile. Interest rates have been hiked in the last little while.

When economists comment on this, most often they point out two factors that contribute to this volatility. The first is continued high deficit and debt figures and a lack of confidence in the ability of the government to get a handle on the deficit and debt. The second thing they point to is the situation in Quebec and the possibility of Quebec's separation.

I urge the government to do whatever it has to do to get the debt and deficit problem under control. Though the minister waxes eloquent about the intent to get the deficit and the debt under control, so far the government has not convinced the markets it is going to do this. That is why we continue to have all kinds of uncertainty. It certainly hurts business and the economy in general in this country when there is that lack of confidence.

I will be addressing this bill with respect to the request for borrowing authority for the CBC. The rationale behind that request would give the CBC the ability to invest in systems and equipment that would make it more efficient down the road.

This request begs many questions. The first and most important question is the timing of this request. Right now the government is embarking on a management and funding review of the CBC. This request for borrowing authority presumes the outcome of that review. It is assuming the review will find that the CBC is a good steward of money and that it is a good manager with a solid management team.

I would argue that the facts really do not bear that out. I would point to the fact that the CBC has lost several senior managers in recent weeks. That leaves it weakened in terms of having the expertise to use that money wisely.

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The second is the argument that the CBC in spending the money it gets from the government, about \$1.1 billion a year, uses it wisely. I would beg to differ that it does.

(1230)

Over the last few years the CBC has actually seen its revenues drop. That reflects two things. It reflects the lack of confidence advertisers have in the CBC to generate viewers, and also the programming of the CBC obviously is left wanting.

We have the CRTC commissioner recently criticising the CBC, pointing out that its share of viewership has dropped to 13.3 per cent, despite the fact that it has a virtual monopoly on Canadian programming and is rewarded every year with the \$1.1 billion subsidy.

The first thing that really must be addressed when the government brings this bill forward, at least with respect to the CBC, is the timing. Why are we doing this now when there is a funding review about to take place?

It may, and I would suggest it will, find that the CBC is very weak in terms of its management because of the loss of so much of the management team and also in how it has spent money in the past. The Fraser Institute recently suggested that on average a CBC station spends over twice what its private sector counterpart spends on administration and programming. That does not bode well for taxpayers if we are preparing to give the CBC the authority to borrow money.

The CBC has a \$40 million deficit on its operating budget this year on revenues of \$1.4 billion. Allowing an indebted company to accumulate further debts at the public's expense is poor management and morally irresponsible.

We were talking a minute ago about the tremendous debt and deficit problems that we have in this country. Now we are proposing to allow the CBC to go ahead and borrow more money. Who is going to pay for that debt if the CBC cannot meet its financial obligations? It will be the Canadian taxpayers as usual. We will be picking up the bill for the CBC spending.

The other thing that really concerns me about this is who is going to be directly accountable to Parliament for this borrowing authority. It is true that the money will have to be approved by the finance department before the CBC gets it. I am not convinced because the CBC is a crown corporation and does not really depend on profits to keep it disciplined, to keep its expenses in line and does not have a bottom line like a private sector company. We really do not have those market disciplines to make the management in CBC accountable for that \$25 million.

The budget document also suggests that the public broadcaster may be allowed to borrow an amount greater than \$25 million

with parliamentary approval. In effect the ceiling of \$25 million is a decoy. How did the government arrive at that figure? What measures will keep it from becoming \$50 million or \$100 million? Until we have this management and funding review completed how will we know whether the CBC is capable of managing even higher levels of indebtedness? How will we know that it can repay \$50 million or \$100 million? Again, the question has to be who will get it off the hook if it is unable to repay that \$100 million. Naturally the CBC will come looking to Canadian taxpayers for a greater subsidy.

The rationale behind this new borrowing power is supposed to allow the corporation to make investments in systems and equipment that will result in long term savings. What we have here in effect is a perpetuation of waste and inefficiency since the new Liberal government has given the CBC a \$100 million reprieve on cuts announced by the previous Conservative administration and a further deferral of \$150 million over five years. In effect, the government is to a degree reversing that. Until this review is undertaken it seems entirely premature.

(1235)

The CBC has not demonstrated it can be financially responsible. While private broadcasters will send one camera crew to do the job, we can almost always count on the CBC sending three. It is a standing joke among private broadcasters how much money, how many reporters, how many camera crews, how many technicians the CBC has to devote to a single news conference in order to get the story that private broadcasters could get with one camera crew.

One of our concerns is that this crown corporation really has the best of both worlds. It has its feet in both the private sector and the public sector. It has its feet in the public sector purse to the tune of \$1.1 billion. It also competes in the private sector with private sector broadcasters. Because of its huge subsidy and now a request for \$25 million in borrowing authority it will also have the ability to further undercut advertising rates in the markets in which it competes with private sector broadcasters.

This is a concern to private sector broadcasters. They have raised this before and this issue is not going away. At a time when many private sector broadcasters are suffering—many of them are operating in the red—how can we not only give our support to this idea but why are we not going the other way and saying it is time to give private broadcasters a break by reining in the CBC a bit?

Perhaps we should be giving some consideration to making the CBC a little like public broadcasting in the United States where they depend a lot more on contributions from viewers. Many Canadian viewers send their contributions down to PBS in the United States. If I am not mistaken and memory serves me correctly, the majority of funds for those border stations comes

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from Canadian viewers. That should set off alarm bells everywhere.

We have to ask ourselves in light of the decline in viewership for the CBC and in light of this request for more money why in the world is this happening. Why are we allowing this debate to even happen when we see all this money going south of the border? Should we not be trying to repatriate this money? Should the CBC be more dependent on viewer support than it already is?

With the CBC's tacit application for a new arts channel, the festival channel, will some of this money end up supporting this new application? The festival channel really is in competition again with the private sector. We have a very strong private sector application for an arts channel but it seems the CBC feels it has to justify its existence by applying for that new arts channel as well.

I have to wonder if this \$25 million going to the CBC will end up in some way, shape or form being shuffled over toward the festival channel to help that channel get off the ground. The CBC has no mandate to be involved in this arts channel. Nonetheless it has found a very sneaky way to go in the back door to push for an arts channel to fall under the CBC purview. We have to ask ourselves whether the intent of the department is to shuffle some of that \$25 million into the newly proposed festival channel.

We also have to ask what guidelines has the government established to the exercising of this borrowing authority. This has not been made clear. The government has basically said it will decide when the CBC comes to it whether the CBC's application for funds has merit. We are talking about a government that wants politicians and government to be more accountable.

(1240)

We need to know before we approve this what kind of measures will be put in place to ensure this money is not wasted, that this money does get a return on investment because that is what they say will happen. We have to make sure it does not go into a festival channel to compete against private sector broadcasters. It is not at all clear that will not happen.

Those are the types of questions this government has to answer before we can go ahead and give any kind of support for allowing the CBC to have borrowing authority.

This really represents the opening of a Pandora's box. We wonder whether there will be an increase now among crown corporations coming forward to ask for borrowing authority. I would argue that is a very scary prospect.

Too often these different crown corporations do not have the private sector to compete with and keep them in line and they do not have a bottom line to address. Often they do not have to worry about what the shareholders will say and therefore very often can spend money very unwisely with impunity. That is a

scary prospect when we have a \$45 billion or \$46 billion deficit this year entering into a new year when we may have a deficit in excess of \$40 billion.

I will conclude by saying it is crystal clear that any attempt to revitalize the CBC using measures normally reserved for companies competing in a private marketplace undermines its integrity as a public broadcaster.

Any special measures designed to raise capital for the CBC such as loans, subscriber fees or licence fees would be an unfair advantage if the CBC underbids its private counterparts for any services which it offers given its heavy state sanctioned financing.

For that reason I urge the members of this House to oppose this bill.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I listened attentively to the member opposite from the Reform Party. I feel his analysis of the CBC has been very narrow.

When I look at the CBC I do not see it just as a broadcaster. I see the CBC as an instrument to pull this country together. When we think of the CBC we do not just think about CBC television, but of CBC radio, of CBC Newsworld, probably one of the most efficiently run organizations in the broadcast industry anywhere in North America.

When we see the way it pulls this country together, whether it be in the arts, in current affairs in French and English, I do not know what other galvanizing instrument we have out there that can provide that type of service and support in this country.

There is another aspect of the CBC and we talk about accounting measures. My background is in business and I believe that it is very important to have full accountability of the CBC.

However, I do not think we are putting on the asset side of the sheet the great contribution the CBC has made in terms of training writers, producers, camera operators and technology wizards recognized all over the world. This is training support the private sector has been able to pull from to move into its own private broadcast units without having to fund any of that training and support. That is not just in television, it is also in radio technology, talent and service support.

Look at what the CBC has done in terms of the north. What person in Canada would not agree with the fact that the CBC has made a contribution in the north? What private broadcaster is even going to go there to help pull that part of our country into the mainstream?

(1245)

I support the approach of the Reform Party to having accountability, but I wish the Reform Party would support our approach. We should look at all assets, all strengths, not just at one or two particular weaknesses. If the Reform Party were to put into its accounting analysis all other contributions the CBC has been

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making, is making and hopefully will make in the future, it might think we are getting good value for taxpayers' money.

Mr. Solberg: Mr. Speaker, I appreciate very much the suggestions of the hon. member. However I think there is a consensus in the country that the CBC has to change.

The hon. member mentioned CBC Newsworld and how efficient it is. Within a year of applying for and getting its licence the CBC had to come back and ask for higher subscriber fees because it could not make it on what it was bringing in. Despite the fact it said it would not do so, the CBC came back and did exactly that. I would suggest that in terms of efficiency the CBC obviously did not look very far ahead.

When it comes to bringing the country together I very much appreciate what the CBC has done in the past with respect to that, but I point out that many private sector broadcasters do the same sorts of things. The CTV network brings the country together through its programming. It provides all kinds of programming that people across the country appreciate, not the least of which is its news and public affairs programming.

I point to the new specialty channel applications, for instance the proposed Bravo channel that would bring Canadian arts programming to the entire country at a much lower cost to subscribers than the CBC application. There are other ways of looking at it. There are other ways of bringing the country together that may not involve the CBC, or it may involve the CBC but a drastically reformed CBC.

Since 1987 there has been a decline in arts and children's programming on CBC. We have seen all kinds of soap operas in the afternoon and sitcoms in the evening in an attempt to bring back viewers. That is redundant. That is ridiculous actually, when we think about it. CBC receives \$1.1 billion to provide Canadian programming and we have these American sitcoms coming in on all kinds of other channels. I do not think it is the role of the CBC to be replaying American sitcoms. We have to get away from that. The CBC has to change.

With respect to the hon. member, I think he is out of the loop if he does not recognize that the CBC has to change. I am not arguing that it should disappear, but it has to change. The friends of the CBC even point that out. It is time to bring some change to the CBC to try to make it more efficient and to respect the fact there are new forces in the country that will allow us to come together. We do not necessarily have to do it through the state sanctioned CBC.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I found absolutely dreadful the speech of the Reform Party member attacking one of our great institutions, the CBC, Radio-Canada in French. Being unilingual, he only mentioned

the CBC and not Radio-Canada, but I imagine he meant both. I have a question for him.

(1250)

Does the member sincerely agree that we must have a united Canada, coast to coast, from North to South and East to West, a bilingual Canada with two official languages, a united country where the Canadian culture can progress and where we can create jobs or does he believe the only important thing for the CBC and Radio-Canada is the bottom line? Does he not see in the CBC and Radio-Canada a human asset, a window on the Canadian nation?

[*English*]

Mr. Solberg: Mr. Speaker, in my vision of Canada I do not see it as a country that draws its culture from institutions. I do not think Canadian culture is a bureaucratic institution. Canadian culture is something that flows from the creative impulses of creative people.

Whether those impulses are channelled through the CBC, a private broadcaster, a private art gallery or whatever is not important. What is important is that these people go out and do their thing. If it can happen more efficiently through the private sector or if it can happen through a reformed CBC—and I remind hon. members that their own government has called for the review of the CBC—that is what should happen.

To hold on to some old, solid institution simply because it has been there for 50 years and not change it at all is absolutely ridiculous. It does not recognize that the world is changing and that Canadian artists and creators need all kinds of outlets to get their messages out. We should not necessarily have it flow mostly or completely through the state. That is a very bad idea. It is time to look at some new alternatives and it is probably the most human way to look at Canada's cultural industry.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, the bill is a key element in a much larger process. Canadians told us they wanted a government that treated jobs as a priority. We have taken action on job creation through the infrastructure program and measures in the budget.

The government has begun to address fundamental issues facing our social security system. We agree we need a system that encourages participation and gives people incentives to contribute to Canadian society.

The current patchwork of programs no longer addresses the needs of Canadians. The bill underscores our commitment to Canadians that in two years we will be at the threshold of a new system. New ideas in social programs are being developed everywhere as part of the reform process. We have set aside funds to start work on some projects. The budget provides \$800

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million for two years for joint strategic initiatives with provincial and territorial governments.

The same search for innovation has shaped the design of the program we are establishing to assist people affected by the closure of the Atlantic fishery. The bill provides \$1.7 billion of new money over the next five years through an Atlantic ground-fish industry renewal and adjustment strategy to be developed in consultation with the public and private sectors.

We are discussing with our partners the development of a number of new jobs through such initiatives as expansion of the eco-tourism industry and aquaculture industry and development of new energy sources or the development of rural amenities.

(1255)

Our changes to unemployment insurance are good examples of real effort to find balance and create jobs. We have proposed four areas of change to the UI act.

First, we will drop the 1995 premium rate to \$3 and freeze or lower it for 1996, which businesses have assured us will create jobs. This premium rate will be 10 per cent lower than the \$3.30 rate that would otherwise be required under the UI act. Second, we will strengthen the link between work history and UI benefits. Third, we will increase benefits payable to low income beneficiaries with dependants. Fourth, we will improve the fairness of the UI program by amending and clarifying how the voluntary quit and misconduct measures are applied.

Small business told us that any real effort to encourage job creation must look at the impact of payroll taxes such as UI. By reducing premiums we reduce the cost of employing people. For example, our premium cut and the subsequent freeze will save a business with 50 employees \$15,000 during 1995 and 1996.

How will we improve the linkages between work history and UI benefits? One would be by increasing the value we place on long term attachment to work and the other by raising the minimum entrance requirement to 12 from 10. The new rules recognize that no one has really gained from a system in which UI became a regular part of income instead of temporary support during unavoidable job losses.

Leaders in Atlantic Canada have told us the 10-42 system has done more harm than good for their economies. With their help our social security reform will create a more effective system.

It is not just in Atlantic Canada where this attitude of UI as a regular income is considered a problem. We have received letters from across the country telling us that UI should be

available to help those in difficult situations and not be a way of life. We need something to break the cycle.

I also take this opportunity to ensure that adequate support will be available to those most in need. The changes to UI increase the level of support for those with low income and dependants.

As we begin to shift from our current set of programs to something more comprehensive, we have decided to reintroduce a principle that was part of UI for 30 years. To help reduce the incidence of 1.2 million children living in poverty we have established a benefit rate at 60 per cent for those with both low income and dependants. For other claimants the rate will be set at 55 per cent. Those with low insured earnings of \$390 per week or less in 1994 and who have dependants will qualify for the 60 per cent benefit rate.

We have also taken action to reintroduce an element of fairness that was lost in changes regarding suspensions, leaves of absence and when a person quits shortly before a known layoff.

First, if a worker is suspended from a job for more than a week the worker is considered to have been fired for misconduct. As a result the time worked before the suspension is not counted if the worker has to apply for UI benefits any time after the suspension is over.

Second, if a worker takes a leave of absence from work the leave is considered to be voluntary separation from employment. As a result if the worker is subsequently laid off after returning to work he or she may have to requalify to receive UI benefits.

(1300)

Third, if a worker quits a job one or two weeks before it would have ended anyway then the worker may be denied all UI benefits. These measures are unfair.

We proposed that a period of suspension should not be treated as a loss of employment owing to misconduct. We propose that rules for leaves of absence be clarified so that workers who return to the workplace are not penalized.

We propose that legislation be amended to provide greater flexibility in the rules for workers who leave a job that would have ended anyway.

Another concern about the Unemployment Insurance Act is that too much pressure is placed on the worker claiming benefits to prove just cause for leaving employment. We propose that in cases in which information from both parties, the employer and the employee, is equally balanced that the legislation be amended to give the claimant the benefit of the doubt.

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Overall these changes to the UI program will be reducing program expenditures by \$2.4 billion per year once phased in. This reduction is necessary to offset the loss in premium revenue as a result of rolling back the premium rate of \$3. The changes also begin the process of reform.

The bill provides the legislative flexibility needed to undertake a number of pilot projects aimed at improving the administrative efficiency of the UI program. The UI program contains several provisions introduced in the 1970s that arguably no longer fulfil the original purpose and only impose a heavy paper burden on employers and clients.

The complexity of the current system has effects on employers, claimants and the government in the areas of cost, accuracy and levels of service. These pilot projects will test alternative methodologies to demonstrate that costs could be decreased, accuracy increased and service improved.

There will be effects on UI claimants. This is a significant package of changes. Even now fully three-quarters of UI claimants return to work before their claims run out. The minister, members of the government and I want to work with the provinces to develop a common understanding of the implication of UI changes for provincial social assistance programs.

Preliminary estimates of the potential effects for provincial social assistance costs are small but we are proposing that officials from both levels of government meet to refine these estimates.

We would use some of the funds that have been made available for the joint strategic initiatives to help address the potential effect of the changes to the UI program. The government remains committed to preserving an unemployment insurance system that provides protection for Canadians who have lost their jobs and are seeking work, one that operates with financial integrity.

Any substantial change to UI as part of the social security reform will happen only after Canadians have had a chance to think about their priorities. We recognize the concerns Canadians may have about our decisions but we have pursued a balanced approach to interim change. Canadians understand that unemployment insurance must evolve in concert with the rest of the social security system. However, UI is only one aspect of that system.

To stabilize planning for both levels of government we have taken measures in this bill for other elements of the system, the Canada assistance plan and established programs financing. The cap on EPF for post-secondary education represents an important piece of the intergovernmental social policy framework. This bill stabilizes the planning framework for provinces and territories while we build a new system. CAP transfers will grow

by about 5.4 per cent in 1994-95 and remain at that level until a new system is in place.

(1305)

The joint strategic initiatives I discussed earlier will contribute additional funding to help provinces and territories to get started on testing new approaches and social security ideas.

EPF is a core of federal support that benefits Canada's youth through the slightly more than \$6 billion per year we provide for post-secondary education. The budget provides for modest growth in our transfers under this program.

Funding for post-secondary education is only one aspect of our support for youth. We will pursue new approaches to internship, innovative alternatives that help young people with the transition from school to work. We are launching Youth Service Canada and will have program participants contributing to their communities and helping to protect our environment by this autumn.

Mutual responsibility is a key principle driving our discussions about social security reform. The government will invest in people, but people must also make a contribution to society.

Let me conclude by saying the government is committed to the issue of jobs and hope for Canada. It was our number one objective during the election and has been ever since. With this bill we have taken action. We have dropped payroll taxes to create a climate for job creation. At the same time we have created a stable planning framework for the period of change that lies ahead.

During that time we will build a system which helps Canadians find jobs, skills and the sense of dignity they have so clearly requested.

Mr. Jake E. Hoepfner (Lisgar—Marquette): Mr. Speaker, I appreciate the parliamentary secretary's comments. I know unemployment is a big problem.

I hate to always bring up the subject of agriculture, but being from Manitoba it is very important to me. I wonder if the Liberal government would take into account that there are approximately 240,000 farmers in western Canada. According to Stats Canada's latest figures, these farmers earned an average of \$16,000 a year before depreciation. It also showed that these farmers earned \$32,000 a year from off farm jobs. If we could put agriculture back on a profitable basis there would be 240,000 jobs available to somebody else.

We have lost sight of the fact that agriculture is still the basic industry in western Canada. We have to make this industry profitable in order to provide other jobs.

Looking into the agriculture industry, we see that 500,000 jobs are created in the processing and retailing of agricultural foods. It is very important we make this industry viable again.

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I would appreciate the parliamentary secretary's comments on this.

Mr. Bevilacqua: Mr. Speaker, I would like to thank the hon. member for his question.

As a government we are concerned about agriculture and the benefits which we draw as a nation from the production and sale of agricultural products. There is a great willingness in the government to bring about positive change to the lives of Canadians, whether they are affected by agriculture or the deindustrialization of the manufacturing base in Ontario.

On October 25 we received a mandate for change. People were tired of working harder and earning less money. Our young people were tired and feeling really hopeless about their prospects. That is true whether they lived on a farm or in a city. People felt that the rules for membership in our society had changed. Basically they were asking for vehicles of opportunity, a way once again to participate fully in the life of the nation.

(1310)

In the last budget and in the throne speech we began a process as a government in co-operation with the people of Canada to redesign a new vision for the nation. That is why we entered into the very extensive process of reforming Canada's social programs.

Many governments in the past shied away from that. They were afraid, perhaps of the misunderstandings, of the code words. They were afraid to face the challenge of saying to people that the systems were no longer working and new ways of giving Canada a better social security system should be looked at.

We have accepted the challenge. We have said that unemployment insurance as it exists today simply does not reflect contemporary reality. Young people have asked for a vehicle of opportunity, something to have during the transition period between school and work. Therefore we are looking at internship and apprenticeship training programs, the Canadian youth corps.

We have told small business we understand when they say too much stress is placed on them. We therefore have decreased payroll taxes, the UI premiums.

We are doing many things to make people come together rather than split apart. That was the legacy of 10 years under the Conservatives where we saw polarization of classes and people really losing hope in our country. It is our number one challenge.

A very important part of this new vision we speak and act upon every day since the October 25 election is the people who are involved in the agricultural sector of Canada. We value the commitment and dedication they have made to developing a better society for all Canadians. The challenges are great. There is no question about that.

The measures we have taken in the budget set a direction but they are interim measures. There is much work to do. We have seen that we need to modernize and restructure our economy. We have to give Canadians tools to become productive, to share in the national vision that speaks to regaining the values that made this country a great nation.

I am, as you are, extremely tired of going into cities and towns where people are lining up at food banks, where we have the problems of latchkey kids, where our young students are not looking to the future in a positive way.

Our mission is to take back our communities. Our mission is to take back our nation, to give it back to the people. Together there is great potential to increase the quality of life for everyone who resides here.

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened with much attention to my hon. friend and his very thoughtful presentation.

Many questions could be asked but I want to take advantage of the fact that he represents a Toronto constituency. As such he knows the special burdens someone from our large urban areas has to face.

I notice that when this bill was first introduced the President of the Treasury Board and Minister responsible for Infrastructure drew attention to the Royal Canadian Mounted Police and the tremendous contribution they make to our country, and their international reputation.

(1315)

The freeze that was applied to the members of the RCMP along with others and the fact that no increments are allowed for two years place tremendous pressure on new constables as they leave the training facilities in Regina to go out and assume responsible positions around the country.

Their take home pay is about \$1,800 a month. Even in Kamloops which is a lot smaller than Toronto I have had constables come to me with a breakdown of their monthly expenses. Living incredibly modestly they cannot live on \$1,800 a month. That is in Kamloops. I can only imagine how much more of a problem that would be in a city like Toronto.

Would my hon. colleague consider taking back this kind of concern to the President of the Treasury Board. When one makes a freeze across a whole spectrum it might not have much of an effect on a public servant making \$120,000 a year but it certainly will impact seriously on someone who brings home \$1,800 a month and expects to raise a family on that.

Could I get some response from my friend. Will he raise with the President of the Treasury Board the plight that these new constables face in the RCMP when they are unable to have any increments when normally they would expect six increments—

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The Deputy Speaker: Order please. The time is up. Please be brief in reply.

Mr. Bevilacqua: Mr. Speaker, I will be extremely brief in giving my assurances to the hon. member that I will bring his concerns to the attention of the President of the Treasury Board.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, today we have an opportunity to speak on Bill C-17. This five-part omnibus bill makes major changes to unemployment insurance.

The minister presents us with a bill, let me point out, dealing with compensation in the public sector, the Canada Assistance Plan, public utilities income tax transfers, various transportation subsidies, the CBC's borrowing authority and finally changes to the Unemployment Insurance Plan. Once again, it is quite a hodgepodge. The more things change, the more they are the same.

Radical changes are put in a bill without any specific orientation and we are told to take the whole thing as is. I will remind the Liberals, in case they no longer remember, that they were elected with a clear objective, supposedly to create jobs. But again, nothing, I repeat, nothing, has been done to achieve this objective.

A catch-all infrastructure program will create barely 40,000 temporary jobs, at an astronomical cost. I give you the figures quoted by the Liberals themselves; 40,000 new jobs is very nice, but if they achieve 100 per cent of their objective, they will not even have reached 10 per cent of the unemployed young people in this country. According to Statistics Canada, in February 1994, 428,000 young people aged 15 to 24 were collecting unemployment insurance, and the Liberals are proud that they may create 40,000 temporary jobs in a few years.

This government really shows disrespect for the people. If the Liberals cannot take significant action, even for the 15-24 age group, we can well wonder when people, seeing construction trucks driving around, as the Prime Minister said, will regain confidence in the economy, confidence in the government and confidence in general. So, as my fellow member from Mercier proposes, we should amend Bill C-17 so that it contains specific measures to reduce youth unemployment.

Furthermore, how can the minister bring in such a bill considerably modifying unemployment insurance while at the same time he is launching a Canada-wide consultation on how UI works? Strange. We can well wonder about this consultation or these consultations. In fact, what have the Liberals done since they came to power?

(1320)

In finance, Canada-wide consultations, and bogus ones at that, as confirmed by the budget. In defence, they have struck a joint committee, with senators. Nothing but the best. Again,

consultations. In foreign affairs, another joint committee. We really have to thank our senators for their contribution. Consultation again. In social programs, consultation. How wonderful!

A question comes to mind. I would like to know—and I would like comments on that later, please—if Liberals are totally devoid of ideas and opinions after nine years in opposition and, if so, how does it feel coming in from the cold after nine years? It was a rude awakening, was it not? One can certainly wonder, seeing that nearly six months into their mandate, the Liberals remain incapable of making decisions or making sensible ones when they do.

Through UI cuts, the Liberals hoped to save \$5.5 billion dollars, over three years that is, and in a clearly inequitable fashion, as Atlantic Canada and Quebec will bear the brunt of the cuts. In fact, Atlantic Canada will suffer a shortfall of about \$630 million, while Quebec will lose some \$735 million a year in revenue. With 25 per cent of the population of Canada, Quebec will actually foot 31 per cent of the cuts announced by the minister. So, as you pointed out, and rightly so, it does happen that people get more than their fair share from the federal government. But in this case, it is at our expense.

Mr. Speaker, I would like to read you a quote from the red book that I have used in a previous speech: “—cynicism about public institutions, governments, politicians, and the political process is at an all-time high. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.” I agree with that statement. I agree with the Liberals on that. I do not agree on everything but on that, I do. I will be bringing this up often because they are not acting accordingly and it is true that we must all work together to restore confidence in this place.

But what kind of cry from the heart will it take to make our friends opposite show a little good faith in their decision-making? In examining the budget papers, we see that this year's budget for the Governor General's office is \$10 million. Ten million! One hundred million will be spent over five years for educational videos. One hundred million over five years, while the provinces and the unemployed have to shoulder \$5.5 billion! And this is supposed to restore some confidence in our institutions.

If we are to make any headway at all in resolving the unemployment problem in Canada and Quebec, we have to consider occupational training. I would like the minister to explain to us how responsibility for occupational training is to be shared and what his position on this issue is. Under the Constitution, occupational training is a provincial matter, one which falls, therefore, in Quebec's jurisdiction. It arises from the province's exclusive jurisdiction over education. In 1942, Ottawa encroached on this and several other fields by virtue of its jurisdiction over unemployment insurance and its spending power. Increasingly, the federal government has meddled in

fields such as worker placement and the funding of occupational training.

Since the unemployment insurance reform of 1989, the federal government has used the Unemployment Insurance Account for training purposes. At the same time, it has considerably expanded its field of intervention to include helping labour markets adjust to the opening up of markets and free trade.

A total of some thirty initiatives have been grouped into four major programs, namely Labour Market Information, Community Futures, Employability Improvement and Labour Market Adjustment. The last two programs offer services to individuals and businesses, respectively. At the same time, Quebec adopted a similar program structure as recently as 1992. It entrusted its management to the Société québécoise de développement de la main-d'oeuvre or SQDM, a partnership between the private and public sectors.

(1325)

To finance these services, the federal government's contribution to labour force training and adjustment in Quebec amounts to a little over \$900 million for 1993-94. Of this amount, \$320 million comes from the Consolidated Revenue Fund, or \$150 million less than three years ago.

As for administration at the federal level, the Quebec region, which is described as one region among many others, is divided into ten networks roughly equivalent to the Quebec administrative division. About 100 Canada Employment Centres are responsible for administering unemployment insurance and managing manpower programs in their respective areas.

Each of these employment and immigration centres has its own local planning strategy or LPS. It includes some degree of co-operation with Quebec.

Last April, the job training centre network in Quebec was converted into 10 regional branches of the SQDM. In association with local partners, each of them is responsible for the management of Quebec manpower programs. Their action largely depends on federal funds and is often incompatible with the LPS, and federal priorities are applied to the regions.

Through its spending power and its jurisdiction over unemployment insurance, the federal government's power on job training in Quebec is practically absolute. This power was reinforced with unemployment insurance reform in 1989 when it became the federal government's favoured intervention tool in labour force adjustment and free trade.

Quebec's role has been reduced to that of a mere manager of some federal programs, as demonstrated by the January 1993 conference of federal and provincial employment ministers.

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Despite unanimous support by Quebec labour market partners and the creation of an administrative structure adapted to its needs, the SQDM, the federal government refuses to withdraw from this area and to transfer the allocated funds. It has kept its network of Canada Employment Centres despite Quebec's decisions.

At the federal level, manpower adjustment services offered by the federal government are divided into four main programs and 27 components. The result is something that can be a real headache for clients.

There are over 100 criteria, depending on the type of client, available resources and also on the region and local CECs. There should be three sets of priorities: national, regional and local. However, under this system, the needs of Quebec and local organizations are ignored. The result: unemployed workers who are wasting their time and courses for which there is no demand.

Quebec has two sets of programs administered by two separate networks: the manpower development corporations or SQDM, as I said earlier, and the Quebec labour centres. The first set of programs has 15 components and is aimed at people on welfare. The other set consists of ten operations which, since last year, have been regrouped in three main programs intended for businesses, individuals and victims of mass lay-offs, respectively. This adds up to a total of 25 programs.

The cost of operating all these programs is about \$580 million for the federal government and about \$70 million for Quebec, with \$62 million being spent on the SQDM, the Quebec manpower development corporation.

(1330)

My point is that it is high time we patriated this sector and put it under Quebec control. Another aspect of this bill seems rather absurd. I am referring to the premium rate of \$3.07 for every \$100 of insurable earnings which in January 1995 will be rolled back to \$3. Remember, it was the Liberals who raised the rate from \$3 to \$3.07.

According to the Liberals, the roll-back planned for next year will help create 40,000 new jobs in 1996.

We will try to give a brief analysis of the Liberal approach to this question. It may seem complicated, but we will give it a try. Our conclusion will be somewhat Kafkaesque, to use a favourite expression of the hon. member for Verchères. Let me explain.

According to the old formula, unemployment insurance premiums would be as follows: in 1993, \$3 for every \$100 of insurable earnings; in 1994, \$3.07, which is what we have now; and in 1995, premiums were to be raised to \$3.30 per \$100 of insurable earnings. According to the government's proposal, premiums which were at \$3 per \$100 of insurable earnings in

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1993 will be raised to \$3.07 as of January, which is the case now, but the rate will be reduced to \$3 in 1995.

Let us see what happens if we pursue this scenario.

If the Liberals had maintained the old premium formula, we would have lost 9,000 jobs in 1994 and 31,000 jobs the year after. By raising premiums to \$3.07, the Liberals get the following result: 9,000 jobs lost in 1994 they realize that, they said so themselves and 9,000 jobs gained in 1995, which means a grand total of zero. We lose 9,000 this year, we create 9,000 the year after, and the result is zilch. Wow, that is really something. Or so they say.

Actually we are not talking about 40,000 new jobs but 31,000 jobs saved and 9,000 new jobs after losing 9,000. Obviously, the end result of their excellent theory is zero.

We must conclude that once again, the government is trying to fool the public, but today's public is better informed and no longer prepared to swallow this kind of proposal.

In any event, it is clear that the previous government was a failure and that the Liberals will not be an improvement. The government should no longer play a leading role in creating jobs. Recent figures have shown that small businesses have been the main source of new jobs during the past few years and will continue to play that role. The Liberals realize that. Give credit where credit is due.

Today, for investors and small businesses, the government's role should be to protect public finances. A good government should control its spending. A good government should control the deficit, and by the same token, a good government will restore a climate of confidence.

The economy is based on confidence, and governments—I said governments—undermine that confidence by being inconsistent and have done so for far too long. To create employment we do not need construction equipment, as the Prime Minister seems to think. We need to restore a healthy climate of confidence that will encourage genuine economic recovery, which in turn will attract investment and by the same token create jobs, durable jobs.

However, we are convinced that because of overlapping programs and interdepartmental duplication, the federal government will never manage to meet this very simple objective. However, a sovereign Quebec that is master of its own destiny and controls the levers of its economy and decision-making processes will be able to meet this immense challenge. There is no doubt about that. We know, as Félix told us, that the best way to kill a man is to keep him from working.

(1335)

The Deputy Speaker: Since there is no one to take the floor for questions and comments, we continue with the debate.

I wanted to recognize the hon. member for Windsor—St. Clair, but I do not see her in the House. The hon. member for Kent does not seem to be here either. Since it is the Liberals' turn—

[English]

I would request hon. members to get the member for Windsor—St. Clair as quickly as possible, please.

[Translation]

Is there a question or comment for the Official Opposition?

Some hon. members: No.

[English]

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, I am pleased to rise today in this debate to speak to the government's proposed changes to the unemployment insurance program and in particular those changes that address the problems of low income Canadians and their dependants.

These changes to unemployment insurance are the first step toward a reform of our social security programs. They are the first step toward making these programs more responsive to the needs of Canadians as this country enters the 21st century.

The government is not taking this step unilaterally. The Minister of Finance engaged in extensive discussions with Canadians before bringing down the 1994 budget. The Minister of Human Resources Development has consulted and will continue to consult with business, labour and Canadians from every walk of life about social security reform.

This government knows that the life of every Canadian will be affected for many years to come by the results of this reform. That is why we are taking steps to ensure that Canadians will receive maximum benefits from these changes.

We have also taken special measures in our proposed changes to the unemployment insurance plan to protect those Canadians who are most vulnerable, those with low incomes who support children, aged parents or other dependants.

Under the current unemployment insurance rules, people who claim unemployment receive a benefit rate of 57 per cent no matter what their circumstances. Under our proposed changes there would be a two part benefit rate, 60 per cent for those with lower incomes who have dependants and 55 per cent for all others.

To qualify for the higher benefit rate a claimant must have insurable earnings of \$390 per week or less and have dependants. This would entitle the claimant to \$234 weekly in

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unemployment insurance benefits. However, this government does not want rigid rules regarding eligibility to hurt those in need whose weekly incomes may be slightly more than \$390.

Accordingly, we have also proposed that all claimants with insurable earnings between \$390 and \$425 receive the same weekly benefit of \$234. All those with insurable earnings over \$425 will receive 55 per cent of their earnings as benefits. We estimate that this will improve benefits for 15 per cent of unemployment insurance claimants or about 250,000 Canadians and their families.

The economic restructuring of our country owing to the forces of globalization and technology is creating a society increasingly divided between those who have well paying, secure, skilled jobs and those who are doing part time, low paid temporary work without the benefit or hope of advancement.

The segment of our population that has been hardest hit by this trend is women, in particular women with children. Women's roles in our society have undergone enormous changes since the social security system was first established.

Thirty years ago Canadians believed that most women would get married, have children and stay home to take care of their families. That was in the days when one wage earner could easily feed and care for a family and still put money aside for a holiday. Times have certainly changed. Today it takes two wage earners for most families to keep their heads above the poverty line.

(1340)

Women now represent 45 per cent of the Canadian workforce. Unfortunately most of these women work for low wages. On average a Canadian woman working full time today earns just 72 cents for every dollar earned by a man. Those statistics say it all.

In 1990 about 5.4 million working Canadians received a total income of less than \$10,000. Of these, 64 per cent were women. At the other end of this scale the picture is entirely different. In 1990, 3.3 million working Canadians received a total income of \$40,000 or more. Of these, only 22 per cent were women.

Most working women in Canada have children. Many of these women are single parents bearing full responsibility for their children. The result is one of the most unacceptable facts of life in Canada: We still have 1.5 million children living in poverty. This is an unacceptable situation for one of the wealthiest nations on earth.

Our proposal to provide greater unemployment insurance assistance to those with low incomes and dependants will have an immediate impact on those Canadians most in need: the women and children of this country who are having trouble making ends meet.

Providing greater unemployment insurance assistance to low income Canadians with dependants is a signal to all Canadians that this government believes in equity and fairness. We want to make sure that if we have fewer unemployment insurance dollars that those dollars we do have will go to the people whose need is greater.

The proposals set out in the 1994 budget to change the unemployment insurance program are important first steps but they are only interim measures.

The reform of social security programs is essential if we are to meet head on the challenges of the 1990s and beyond. We can no longer use an outdated system to solve modern problems. It just is not working. We have too many people without jobs, too many families under stress, too many young people who have given up hope and too many Canadians who have lost their confidence in the future.

We cannot achieve change unless we shed the policies of the past that simply are not doing the job that they are supposed to do. We cannot achieve change if we try to cut and paste programs, patching something here and adding something there. We cannot achieve change unless we are willing to lay the system bare, putting every component under scrutiny.

This government believes we have to start with a clean slate and create a new framework for our social safety net. That is why this government is undertaking the most significant and wide ranging review of our social security programs in Canada's history.

The Deputy Speaker: I think it is understood that the member is dividing her time with a colleague. Nobody is standing on questions or comments.

Mr. Rex Crawford (Kent): Mr. Speaker, it gives me great pleasure to rise today on behalf of my constituents and speak about Bill C-17, an act to implement the first Liberal budget in 10 years.

The budget shows we have a game plan and that we are going to stick to it. We are delivering on our commitments, funding every key initiative in the red book. With our top priorities of jobs and growth, we are offering a balanced approach with emphasis on economic renewal, deficit reduction and social reform.

As represented by Bill C-17 presented by my friend and colleague the Minister of Finance, we are renewing our commitment to economic justice for a fair and lasting prosperity that can put Canadians back to work.

We have all come through a vigorous election campaign. Everyone had their losses, but the pain of our defeats is far less than the pain of the people I have met.

(1345)

We have learned it is important to take issues seriously but never to take ourselves too seriously. I am sure we share the same cause, the cause of the common man and the common

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woman. Since the days of Laurier, King, St. Laurent, Trudeau, Turner and now Chrétien, our commitment has always been to those humble people of our society, the farmers, the labourers and all others who work day in and day out to provide a better life for their families.

This budget continues that firm commitment, clearly establishing a framework for economic renewal and investing in the skills of Canadians. We support job creation with the national infrastructure program, youth internship and apprenticeship programs.

Unlike the previous Conservative government the new Liberal government has pledged that we will never misuse unemployment, high interest rates and human misery as false weapons against inflation.

We have pledged that employment is the first priority of our economic policy. A rollback of the unemployment insurance premium rate to the 1993 level of \$3 for 1995 and 1996 saves businesses over \$300 million a year which can be reinvested in new jobs. A Canada investment fund to provide venture capital for innovative companies and a Canadian technology network to help small business to get access to new technology are just two examples.

Small business is the backbone of the economy and that is where we have placed our emphasis. These are not simplistic pledges; they are the heart of our tradition. They have been the soul of our party across generations. It is the glory and the greatness of our Liberal tradition to speak for those who have no voice, to remember those who are forgotten, to respond to the frustrations and fulfil the aspirations of all Canadians seeking a better life in a better land.

Programs may sometimes become obsolete but the idea of fairness always endures. Circumstances may change but the work of compassion must continue. It is correct we cannot solve problems by throwing money at them, but it is also correct that we dare not throw our national problems on to the scrap heap of inattention and indifference.

The poor may be out of political fashion but they are not without human needs. The middle class may be angry but they have not lost the dream that all Canadians can advance together. Canadians are tired of changes that merely nibble at the edges. We will implement bold, sweeping reforms that will ensure Canadians can adapt to the challenges of the new economy. We need to build bridges to work, to independence, not dependence. We must better deliver to those in need and at the same time make sure the social safety net remains affordable.

We will overhaul these programs to help Canadians move into the workforce. The demand of our people in 1994 is definitely not for bigger government but for better government. Some say government is always bad and that spending for basic social programs is the root of our economic evil, but the present recession and unemployment rates cost our economy billions of

dollars every year. Unemployment and recession are the biggest spenders of all.

We are the party that brought the Canada pension plan and medicare to the nation. We have always been the party of hope. With the budget of my friend and colleague, the Minister of Finance, we are offering new hope to a Canada uncertain about the present but unsurpassed in its potential for the future.

To all those overburdened by an unfair tax structure let us provide new hope for real tax reform. Instead of shutting down hospital wings let us shut off tax shelters. The budget closes loopholes and brings greater fairness to the tax system.

During the recent election campaign I listened and learned from the people of my riding of Kent, the heart of southwestern Ontario.

(1350)

I listened to a factory worker in Chatham, Ontario who had six children to support and was going to her factory shift. I listened to a Motor Wheel employee with four kids and many bills who lost his job after 25 years at the plant. It is now an empty shell of a building, shut down, throwing hundreds on the unemployment lines. I listened to a farm family in Howard township who wonder whether they can pass the good life and the good earth on to their children. I listened to a grandmother in a seniors home in Dresden who has only the old age pension to make ends meet and wants her remaining years to be dignified and decent. I listened to a 23-year old out of work, to students without the tuition for university or college and to families without the chance to own a home.

In my riding especially I have seen the closed factories and the stalled assembly lines of Chatham and Kent county. I have seen far too many idle men and women desperate for work. I have seen far too many working families desperate to put food on the table, to make the hydro, mortgage and car payments with one parent either working or laid off while being taxed to the hilt.

As I arrived at 4.30 every morning at the plant gates during the election, I also sensed a yearning for new hope among the people at every factory and every corner store. I felt it in their handshakes. I saw it in their faces. I shall never forget the mothers who had to work on the 5 a.m. shift to earn enough money to feed their children.

I shall always remember the veterans in the Royal Canadian Legions and the seniors in nursing homes who have lived in a Canada of high purpose and who believe it can all happen again. They are all optimistic. If only they had a government that was on their side, a government that spoke out for the little guy.

I believe we are that government. Today in their name, for the people of Kent, I am here to speak for them. It is an honour and a privilege to be a member of Parliament, but our highest duty, our overriding passion is to stand with our constituents to express the thoughts and concerns of those who do not have paid

lobbyists to do their bidding or special interest groups to fax dozens of pages of information across the country.

My special interest group is my constituents and I will fight for them every day. I am proud to support the government and Bill C-17.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I congratulate the member opposite for his comments.

I wonder if the hon. member would expand on one thing he touched on in his speech. It was also in the presentation of the Liberal member who preceded him. It is the effect of part-time employment on a community. In particular, I wonder if the member opposite has given any thought to extending benefits to part-time employees. As many members are aware, a very high percentage of people are in our workforce now only because they are consistently able to get part-time employment and they have two or three part-time jobs.

I wonder if the member opposite could comment.

Mr. Crawford: Mr. Speaker, I wish to thank the hon. member for his question.

In my riding of Kent, which is the most depressed area in Ontario at the present time, part-time work is about the only type of job people can get.

Personally, I support benefits for part-time workers. I also feel that people who are on welfare should be allowed to work to top up their benefits without penalty. If people do find part-time work, as soon as they are laid off, which is usually within a few short weeks, then it is another battle to get back on the rolls again.

We have been promoting, and I think we have the hon. member's support, an ethanol plant in the city of Chatham. This \$170 million plant will employ only 90 to 100 people within the plant. Outside the plant over 400 will benefit from it. It is something I have been trying to get through the government with the help of the opposition parties. I hope the hon. member will support it because I certainly support his views to a great extent.

(1355)

Mr. Peter Adams (Peterborough): Mr. Speaker, I listened with great interest to both the previous presentations. I wonder if the member would care to comment on the situation of students.

At the present time young people are having a particularly difficult existence. We are encouraging them to stay in school. We are encouraging them to get training. However the costs of school and the costs of training become more and more arduous.

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We really must look at different ways for students to pay back their loans, in particular ways which mean that graduating students who get very low paying jobs do not have to pay their student loan immediately. Later those loans could be paid back in proportion to the money they earn, in proportion to the tax they pay, rather than in a very fixed period of time which really works against those who cannot early on in their careers obtain well paying jobs.

I wonder if the member would care to comment on that.

Mr. Crawford: Mr. Speaker, I wish to thank the hon. member for his question pertaining to students and repaying their loans.

I have had many students come to my office, especially over the last two weeks when we had a break, who are worried about this. They are now being billed by the banks and they do not have jobs.

The government through supporting job creation, youth internship and apprenticeship programs will certainly help to alleviate their problems.

I cannot give a figure on how much money right now, but I was talking to UIC and it is putting quite a few students back to work right now. UIC is giving them the opportunity to carry on their education or to be able to pay off the money they owe. The government is on the right track in helping these students and I certainly support it 100 per cent.

The Speaker: The hon. member for Kootenay West. The hon. member will note the time. Perhaps he would like to begin his statement but I would be interrupting him. If not, I could go to Statements by Members.

Mr. Gouk: Mr. Speaker, with all due respect, if I may make my full speech immediately after I would much prefer that.

The Speaker: Is it agreed then?

[Translation]

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[Translation]

MONTREAL

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, following Montreal's selection as the host community for the NAFTA Environmental Commission, many inaccurate and vengeful things have been written about this city. Montreal has been described by some as an island in the middle of an open dump, as the worst city from an environmental standpoint not only in

S.O. 31

Canada but in all of North America. These allegations reflect deep-seated contempt and are cause for indignation.

The Mayor of Montreal, Mr. Jean Doré, has reacted to these comments and has issued an update on the major achievements of the Montreal Urban Community in the field of sewage treatment. A number of important sewage treatment projects are in the works. In truth, Montreal has nothing to learn from other Canadian cities as far as this or any other field is concerned.

In our opinion, this kind of thinly veiled insult directed at Montreal only serves once again to tarnish the image of this city and of Quebec. It is an instance of provocation which must be denounced.

* * *

[English]

CHAMBER OF COMMERCE

Mr. Peter Adams (Peterborough): Mr. Speaker, unlike other members of this House, I have had to deal with two GATTs this winter. One was the General Agreement on Tariffs and Trade, also known as GATT. The other was Vince Gatt, president of the greater Peterborough Chamber of Commerce.

Mr. Gatt and I do not always see eye to eye but I was delighted to see the Peterborough Chamber of Commerce wholeheartedly endorsing the National Chamber of Commerce program called Aim for a Million. This is a plan to create a million new jobs across Canada. Peterborough's share of this target is in the thousands.

Although the government can play key roles in job creation such as stimulating the economy, creating short term jobs and ensuring we have a trained workforce, in the end jobs are created by businesses. Many of those businesses belong to our Chambers of Commerce. I welcome the chamber's initiative in setting its sights on job creation. We need partners of this type.

In Peterborough both GATTs seem to be having some useful effects.

* * *

BANK OF MONTREAL

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I rise today to recognize the Canadian company that is taking a leading role in human resource development.

The Bank of Montreal is the first company outside of the United States to receive the Catalyst award. This award recognizes companies that implement successful and meaningful employment programs.

The bank has made big strides in a short period of time to bring job equity to the workplace. It has increased its number of female executives from 9 per cent to 13 per cent. It has also

increased the number of females in senior management from 13 per cent to 17 per cent.

What is remarkable is that this has been done without reverse discrimination or affirmative action programs. It adopted flexible work programs to meet the personal and professional needs of all its employees.

The Bank of Montreal has shown how fair mindedness when offering opportunity results in competent and committed employees in the workplace. I salute the Bank of Montreal.

* * *

THE BUDGET

Mrs. Jean Payne (St. John's West): Mr. Speaker, there is an old Chinese proverb which says that a long journey starts with the first step.

I would like to take this opportunity to congratulate and thank my colleague, the Minister of Finance, because his budget is a giant step toward the journey back to fiscal stability in Canada.

His budget is a realistic approach to the problems that have plagued our nation for a long time. The measures the budget proposes will allow us to both provide the jobs people need and gradually reduce the deficit in a sensible manner.

The provision of employment is especially important in the riding of St. John's West which I have the honour to represent. It is especially important to the province of Newfoundland and Labrador. It is also important to Atlantic Canada where unemployment has been unacceptably high for as long as anybody can remember.

The benefits of this budget have already been seen. Recent unemployment figures are down nationally and in Newfoundland. We should continue our efforts to reduce those figures and that is going to be the goal of this government.

It is encouraging to note the extremely strong commitment this government has demonstrated toward the survival of the fishing industry in Newfoundland and Labrador and in the riding of St. John's West. During the next five years the government has committed \$1.9 billion in assistance to Atlantic Canadian fisherpeople and plant workers. The government is putting the money where it is really needed.

It should be noted well that this long term approach is a vote of confidence in the fishing industry that is so vital to the people of St. John's West and to the entire province.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I rise today to express grave concern about published reports in today's paper concerning revelations over the RCMP's spying activities on black civil rights leaders in the province of Nova Scotia during the 1960s and 1970s.

The documents were released only after an access to information request by a Nova Scotia newspaper. Although highly censored they still contain unacceptable racial stereotypical references to blacks such as portraying black women as prolific child bearers and black men as layabouts and thieves.

(1405)

This whole episode would be disturbing enough if these reports were written by any RCMP surveillance officer. However some of the most racially insensitive comments were in reports by Mr. William Higgitt who went on to become the commissioner of the Royal Canadian Mounted Police.

I ask the Solicitor General today to personally undertake a review of all of the uncensored documentation relating to this issue in an effort to search out and if found, stamp out any institutionalized racism in Canada's federal forces, the RCMP and CSIS.

* * *

WORLD HUNGER

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, I rise today to pay tribute to the Fredericton branch of RESULTS, an international organization committed to creating the political will to end world hunger.

In the time it takes to read this statement over 200 children will die in the world. Tragically, most of these deaths are preventable. As little as \$5 per child could save thousands of lives.

As we debate how many billions to spend within our affluent society, citizens in countries in four continents seek our support for basic sustenance.

We cannot allow NGO over-bureaucratization, western cultural bias or fiscal pressures within to distract us from our humanitarian responsibilities around the globe.

I join all members in saluting the many organizations and individuals who quietly save children's lives.

I call upon the government to meet its 1991 commitment of \$20 million for immunization and encourage putting money toward micro enterprise initiatives so that actual results will be the pillars of Canada's foreign aid policy.

* * *

[Translation]

QUEBEC SOVEREIGNTY

Mr. Louis Plamondon (Richelieu): Mr. Speaker, yesterday the NDP member for Kamloops stated that his friends in Quebec should shut up and stop talking about sovereignty because that

implies the destruction of Canada and makes international lending agencies uneasy.

Such a statement calls for an indignant reaction. Markets are soft because of the pitiful state of Canada's public finances, which is the making of the federal system and should not be blamed on the people of Quebec. As it is, this uncertainty is a sure sign of the failure of this system.

Furthermore, the process the people of Quebec have embarked upon is legitimate; they want to assert themselves as a nation. They are not trying to destroy Canada, but rather to build their own country.

In closing, Mr. Speaker, I urge the hon. member not to waste his time and energy, as the Bloc Quebecois will not shut up and will continue to promote the sovereignty of Quebec in this Parliament.

* * *

[English]

STUDENT LOANS

Mr. Randy White (Fraser Valley West): Mr. Speaker, Michael McIntosh of Matsqui, British Columbia recently received one of those mean old letters from Revenue Canada which stated Revenue Canada was about to garnishee his income tax refund to pay off an outstanding student loan.

However, Mr. McIntosh has no outstanding student loan. In 1972 he paid it off in full. Now, 22 years later the government claims he still owes 75 cents principal and \$39 in interest accrued. The error is with the government that delayed the processing of the payment 22 years ago. This is ridiculous.

The Prime Minister has said he has the people and he has the plan. How can one implement any plan with people who make decisions like this?

* * *

UKRAINIAN ELECTIONS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, democratic development and good governance are the hallmarks of peace and co-operation in the modern era.

The successful outcome of Ukraine's first fair and free elections since its independence is testimony to what can be achieved given the strong will and perseverance of a people who do not fear change.

The Canadian government played a significant role in providing a \$2.5 million electoral assistance package, including ballot paper, media training and voter education.

I was pleased to lead a team of Canadian observers to monitor the elections on March 27. After the second round of balloting on April 9 and 10, I have been informed that 312 out of 450 deputies have been elected and further results are pending.

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Given that the quorum has been reached to form a new parliament and that at least 50 per cent of voters cast their ballots in the Crimea, it may be concluded that the Ukrainian elections were valid and that Ukraine is on its way to achieving a healthy, multi-party democratic parliamentary system.

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[Translation]

WILDLIFE CONSERVATION

Mr. Clifford Lincoln (Lachine—Lac-Saint-Louis): Mr. Speaker, on the occasion of 1994 National Wildlife Week, I extend an invitation to all hon. members, and to all Canadians, to take part in the week's activities.

(1410)

Many dynamic projects will help Canadians to get to know wildlife better, and appreciate biodiversity in general. Perhaps more important, they will be able to take concrete steps to make our natural environment healthier. It could be something as simple as building a bird feeder for their backyards or as complicated as developing a wetland preservation project.

[English]

The theme for this year's wildlife week is: "Biodiversity works for wildlife, you can too". In French it is: "La biodiversité, tout un monde à sauvegarder". This is fitting because this is the year Canada will complete its biodiversity strategy.

This truly national strategy developed in co-operation with all the provinces and territories, with aboriginal peoples, with NGOs in the private sector, will be the instrument by which Canada—

The Speaker: The hon. member's time has expired.

* * *

JUSTICE

Mr. Stan Keyes (Hamilton West): Mr. Speaker, on Wednesday, March 30, 25-year old Joan Heimbecker, a graduate student at McMaster University, was brutally murdered in her residence apartment. She was shot several times with a sawed off shotgun. This senseless and cowardly act has left the Hamilton and area community in a state of shock and horror.

The individual responsible for this act of murder has not yet been apprehended and is still at large. It is our hope the killer will be located and prosecuted a.s.a.p.

Clearly, brutal acts of murder such as the one which claimed Joan Heimbecker's life reinforce the need to ensure that convicted murderers receive a life sentence for their crimes with no chance of parole for 25 years.

We must do everything in our power to protect the public from this kind of violence by fashioning a judicial system that is

aimed at crime prevention and which, equally important, addresses victims' rights when violent crimes are committed.

I am sure all members of this House will join me in offering sincere condolences to the family, friends and fellow students of Joan Heimbecker.

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[Translation]

RWANDA

Mrs. Maud Debien (Laval East): Mr. Speaker, on behalf of the members of the Official Opposition and of all Quebecers and Canadians, I strongly deplore the massacres in Rwanda. In the capital city of Kigali, thousands of innocent civilians were killed, including several political figures and human rights advocates.

I ask the federal government to express our disapproval to the Rwandan government authorities. The protection of minority and human rights, and of the most fundamental right of all—the right to life—must be an integral part of Canadian foreign policy in Africa as in every other part of the world. We must encourage any attempt at national reconciliation in a spirit of democracy.

Many Quebecers who have contributed to Rwanda's development are personally affected by the events of the past few days. I would like to express our deepest sympathies to the families and friends of the victims of these tragic events.

* * *

[English]

AIDS

Mr. Myron Thompson (Wild Rose): Mr. Speaker, it was recently brought to my attention by a concerned school librarian that the student body was in possession of a pamphlet entitled "Doing it in the 90s". This pamphlet was produced by the Canadian Aids Society in co-operation with the University of Toronto and Laval University.

It details the results of a survey administered to gay and bisexual men. The results explain how men have sex, whether they practice safe sex, why they do not wear condoms and whether they have been tested for AIDS and various AIDS related diseases.

I personally have no trouble with educating the public about the risk of AIDS. However, when a group of school children is able to get hold of a document with such graphic references to homosexuality and bisexuality, we have to question three things. How did it get a hold of this document? What are the benefits in the published information? Could our tax dollars, \$500,000, not be spent more effectively through proper AIDS educational material, not advocating homosexuality and bisexuality and the practices associated with them?

*Oral Questions***GUN CONTROL**

Ms. Maria Minna (Beaches—Woodbine): Mr. Speaker, within the last week in Toronto and in surrounding areas three violent and horrific crimes have been committed with guns. A student was shot in her own home. Another, who was the daughter of a constituent of mine, was killed while enjoying desserts with her friends at a downtown restaurant. The third, a young father, was shot with a stolen gun at a party.

This painful loss of life must be the beginning of stronger, tougher gun control laws.

As a woman I feel particularly vulnerable. As a female constituent of mine stated, why must I lose my freedom and live in fear?

No longer should we tolerate these violent and senseless crimes.

(1415)

I urge not only the Minister of Justice but the whole House to unite and move rapidly to adopt stringent gun controls.

* * *

LAW OF THE SEA

Hon. Charles Caccia (Davenport): Mr. Speaker, for the sake of unemployed workers in the fishing industry and the economy of Canada it is urgent that the Government of Canada ratify the Law of the Sea convention. This treaty would serve Canada's interests by enhancing Canadian sovereignty over coastal waters and contributing to a stable and more peaceful legal order for the oceans.

It specifically protects certain fish stocks and enshrines in international law principles contained in the Canadian Arctic Waters Pollution Prevention Act. This treaty would offer a legal framework that would eventually assist Canada's efforts to stop foreign overfishing.

Canada's long term interest is in ratifying and promoting the Law of the Sea convention if we are to bring back this industry at all. I therefore urge the Minister of Foreign Affairs to ratify the Law of the Sea without delay.

* * *

CRIME PREVENTION

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, Canadians were recently shocked by two senseless killings in Ottawa and Toronto. There is fear that our streets are not safe and that young people are more violent. That fear has focused attention on the Young Offenders Act.

I share the concern of Canadians about violence in our communities. I agree that laws should be reviewed to make sure

they are effective but that review should be based on facts and not fiction. If we are prepared to change the law we must also be prepared to prevent crime.

Since 1992, RCMP funding has been cut by \$33.4 million. As a direct result of federal underfunding the Yukon crime prevention program for example has been cut. By going directly to the schools I believe the constable in charge there prevented more crimes than the threat of stiff jail sentences.

It costs \$1 for prevention for every \$5 in incarceration. I call on the government to look at this aspect of crime prevention in our society.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister.

Economists and financial analysts are practically unanimous in saying that the falling dollar and the increased spread between American and Canadian interest rates are mainly due to the federal budget's lack of credibility. The government has failed to convince financial markets that it is determined to fight the deficit and put public finances on a sound footing, and taxpayers are paying for this with increased interest rates.

Does the Prime Minister agree that the rise in interest rates as a result of the Bank of Canada's decision to stop the dollar from sliding further is mainly the result of a negative assessment by financial markets which are disappointed in the deficit reduction measures proposed in the budget?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I disagree with the hon. member's hypothesis. The budget we brought down in this House in February was well received. I agree there was some movement in the markets last week, but everyone agrees these fluctuations were caused by a very volatile situation on the international scene, and everything seems to be back to normal.

The Minister of Finance and I have made it clear that the government's plan is straightforward: we want to meet our objective to reduce the deficit to 3 per cent of GDP by the end of our third year, and we are convinced that we will meet our objectives.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the Prime Minister forgot to mention that most economists and financial analysts who examined what caused the financial instability of the past few weeks referred to the Budget and the concern shown by financial markets about the gov-

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ernment's failure to cut where it should cut, in other words, public spending.

Does the Prime Minister agree that the negative assessment of the financial community will add another \$3 billion to his deficit and that rising interest rates will compromise economic recovery and job creation as a result of a lack of confidence among consumers and investors?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we are certainly not satisfied with the situation, but I think everyone will agree that we have made considerable progress on the employment side, because 114,000 new jobs were created in February and March of this year alone and the unemployment rate went down from 11.6 per cent to 10.6 per cent, between the time this government was formed and the end of last month.

(1420)

We are on the right track. We must keep calm and keep going. When you know you have a good plan, you have to stick to it. I agree there is some instability, but part of that instability is caused by the political option of the Leader of the Opposition.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it is unfortunate to see a government so irresponsible in the way it interprets the negative movements of financial markets.

For instance, Mr. Speaker, the Prime Minister sees an improvement where there has been deterioration. Fewer people are unemployed because more people are on welfare. When people go on welfare, they are no longer included in the unemployment statistics, and so the government is satisfied. This does not make sense. And the few jobs that were created are not durable jobs.

I want to ask the Prime Minister whether he will let his government review its deficit reduction strategy to restore its credibility with the financial markets. Is he prepared to immediately implement measures to cut government spending?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, what the financial markets need is a government with a plan, a government that intends to stick to its plan, a government that does not lose its cool, a competent government that is consistent in its policies. It would be a disaster to have as the leader of this government a political leader who has changed parties five times.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, in his budget, instead of proposing a real plan to cut spending, the Minister of Finance attacked the most disadvantaged people by making substantial cuts to unemployment insurance benefits in particular. With the recent instability in the markets, which seems likely to continue, given what the Canadian dollar did this

morning, the federal government's interest charges have already increased by \$3 billion.

How will the Prime Minister explain to the unemployed and to seniors that the sacrifices imposed on them will be pointless and that the loss of his budget's credibility in the financial markets will by itself wipe out the billions of dollars that his government wrung from the disadvantaged to reduce its deficit?

[English]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the fact that the economy has produced 114,000 new jobs in the last two months is a sign that we are on the right track.

We are not satisfied with that. We know that when we started unemployment was 11.6 per cent. We want to reduce it. We want to create jobs. This is the program of this government. This is the goal of this government.

The infrastructure programs will start to produce jobs in the coming weeks because the agreement has been signed with everybody. We are very hopeful that it will continue creating more jobs, that there will be more jobs in the ridings of every member of Parliament because of the program.

Of course the rest of the economy will produce other private sector jobs. We are on the right track. We should not lose our cool because there are some fluctuations in the market. I have been Minister of Finance before and I have learned that it is serving—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): Yes, and I managed to reduce the deficit while I was there.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, their irresponsibility is endangering the employment recovery.

Does the Prime Minister not agree that he must in the short term review his deficit-fighting strategy and undertake a review of all budget and fiscal expenditures by setting up the parliamentary committee to review public spending that the Official Opposition has been demanding from the beginning and that the financial community now supports, Mr. Speaker?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the opposition members will have to make up their minds one day. We presented a budget and made cuts. They criticized us for the cuts we made. They should start by accepting these cuts and then we will accept their suggestions.

Every time we do something, they just criticize and of course that is why they will never form the Government of Canada.

Oral Questions

(1425)

*[English]***THE ECONOMY**

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

While the House was recessed Statistics Canada announced the combined federal and provincial debt to be \$660 billion. That is 93 per cent of GDP or \$23,000 worth of debt for every man, woman and child in the country.

Will the Prime Minister today acknowledge—

Some hon. members: Oh, oh.

The Speaker: I know we have all missed the House and we are anxious to be back. I also know all hon. members would want to listen to the question by the hon. member for Calgary Southwest.

Mr. Manning: I make reference to the record level of debt. Will the Prime Minister today acknowledge that this debt level is unacceptable to the government and that extraordinary measures beyond those contained in the budget must now be considered to combat it?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I would agree with the hon. member that we are not happy at all and we do not find having this big debt very easy.

We only formed the government six months ago, but when we have a problem like this one we have to be rational and make sure we are managing it in a way that would not cause a recession. That would compound the problem.

That is why we have a very balanced approach. Sometimes the opposition parties criticized us for some cuts and some would like to have more. However we know that if we go too deeply into debt we will compound the problem by having more unemployed people. When people are unemployed in Canada, being a civilized society we do not let them starve. We help them through these difficult periods.

This is why we think that our balanced approach is the best one. We made some very difficult cuts but at the same time we have kept our priority to ensure that new jobs are created in Canada. I hope the hon. member will recognize that in the last two months the economy created 114,000 new jobs. That is not too bad.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I find the Prime Minister's answer incredible. All members of the House had better recognize that the government is spending

\$110 million more per day than it takes in. We are sleepwalking toward a fiscal crisis.

I have a question for the Prime Minister. Will the Prime Minister today acknowledge that this spending rate simply cannot continue and that the government will have to consider extraordinary measures not contained in the red book, the throne speech or the budget to bring this spending rate under control?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have cut quite substantially in the last budget. It was not easy to do. We have some problems to cope with and we think we have managed the situation quite reasonably.

We have a goal that is achievable: to reduce the deficit in relation to GDP to 3 per cent per year. This goal is very reasonable because 3 per cent of the GDP is the requirement for any country to qualify in Europe to use the new currency called the ECU. If it is good enough for all countries of Europe to have that goal, it should be good enough for Canada. I am saying that is a commitment in the red book and we will achieve that goal.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the countries that are part of the European Community are running debt to GDP ratios of about 60 per cent. This government is running a debt to GDP ratio of 93 per cent. We could not even get into that community.

I have a supplementary question. If the Prime Minister is not prepared to give convincing answers to this side of the House, surely he recognizes that he has to be convincing to investors and lenders of private sector job creation.

(1430)

Will the Prime Minister today acknowledge that Canadians want a clear signal, not from the Minister of Finance and not from the Minister of Human Resources Development, but from the Prime Minister that he is personally prepared to consider extraordinary measures to control the overspending of his government?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have given my commitment to controlling spending. This is why we have had so many cuts for which we have been blamed by the opposition.

We have a program that we want to keep. We are not about to change suits every day. We will stick to the plans we have made. The markets know we have a very good Minister of Finance. He has my full support and full confidence. The Minister of Human Resources Development is a man of experience and quality. He is an excellent minister.

We have a good team and the markets should have confidence in this team.

Oral Questions

[Translation]

UNEMPLOYMENT

Mr. Michel Gauthier (Roberval): Mr. Speaker, while the government is trying to take credit for a drop in the unemployment rate, more than 20,000 young people are said to not even bother stating that they are looking for work. They are disillusioned with the job market and the government's apathy.

Will the Prime Minister face reality and recognize that, at a time when some 200,000 jobs are needed in Quebec to return to pre-recession levels, the drop in the unemployment rate is largely due to the fact that young people are disillusioned and have given up looking for work?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I believe that the employment situation has improved but we are extremely concerned with the unemployment rate among young people. This is why the Minister of Human Resources Development is working with the Secretary of State for Youth to set up a special program to create jobs for young people. I hope that we will be in a position to make an announcement on this program in the next few weeks.

Mr. Michel Gauthier (Roberval): Mr. Speaker, how can the Prime Minister keep defending his job-creation strategy when the bad reaction to his budget in the financial community, as well as the loss of credibility of both his finance minister and his government, are the main causes and obstacles to job creation in Canada?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have a program to stimulate employment. This program was the main element of our election platform in 1993. We clearly stated what we intended to do. We are following our agenda. We are on the right track. So far, results are rather positive, but it will take time. We started off with an unemployment rate of 11.6 per cent. We do not think we can turn the situation around in just a few weeks or even a few months. We must continue to work; we have a well-thought-out plan which Canadians have accepted, and we need everyone's support if we are to succeed. The hon. member could also help. Indeed, if he talked about employment instead of always discussing separation, our country would be better off.

* * *

[English]

UNEMPLOYMENT INSURANCE

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, my question is for the Minister of Human Resources Development.

During last fall's election campaign any suggestion that a reformed UI program should be jointly funded by employers and

employees and should be run like a genuine insurance program was greeted with ridicule by Liberals.

Will the minister tell this House, as has been suggested in the media, if he is now considering funding the UI program solely on the backs of workers?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, by this time members of the Reform Party should learn not to trust everything that is printed because it comes from somewhat dubious sources.

In this case the story the hon. member is alluding to was a rumour that was apparently put forward by some bureaucrats from a couple of provincial governments. I do not think that is the most authentic source for proposals for changes in the federal UI program. I would suggest that once the hon. member gets his sources straight he may get his questions straight. Then I will be prepared to answer them.

(1435)

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, it was a pretty straightforward question. I suggest the minister learn a little humility lest he end up unemployed as well.

Government reports over the last several years have recommended that the government move away from control of the UI program. Will the minister heed this advice and let employers and employees administer their own programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as the hon. member knows we are presently engaged in a very major undertaking to look at a variety of the programs run by the government in order to achieve higher levels of employment.

We made some changes in the last budget which reduced UI premiums. That has been one of the contributing reasons there is a new sense of confidence in the economy, especially among small businesses.

I met with them and they told me that they feel this government is on the right track for job creation. We have consulted with business, labour and community interest groups, all of which have made various comments about the way in which we can apply a more effective unemployment insurance program.

I want to make one thing very clear. The unemployment insurance program does provide a very important service to millions of Canadians. We will protect the integrity of that program. What we want to do is improve the program and that is not the interest of the hon. member who wants to take the program apart.

Oral Questions

[Translation]

UNEMPLOYMENT INSURANCE REFORM

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development.

It is not some provincial bureaucrats who made a surprising statement last week but the Minister of Finance himself who suggested that unemployment insurance would be funded only by workers' contributions. Furthermore, the amount of contribution could be set according to each worker's own situation.

My question is this: Is the minister, given his previous answer, prepared to promise that unemployment insurance reform will not make workers the only ones to pay for unemployment insurance?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, we obviously are committed to major reform and improvement of the program.

I must confess to my great disappointment that when I looked at the House of Commons committee report and looked at the special report submitted by the Bloc Quebecois, I found absolutely no constructive proposals, no interesting suggestions, no ways of making the reform.

I would suggest if the hon. member wants to make recommendations on how to reform, we are prepared to listen. Certainly, they refused to do it in their committee report.

[Translation]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, the mandate of the committee and of minority members on the committee was to consult Canadians and not to submit the opinion of the party.

Will the minister, since he is in charge and he is the one who prepares the action plan which will be known as soon as possible so that everyone can really be consulted, confirm that he is preparing to modify unemployment insurance in such a way that the premium rate will depend on each worker's risk of job loss, so that those who hold insecure jobs will be hit harder?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would like to correct one statement by the hon. member which I am sure she made inadvertently.

This proposal for reform is not something I initiate alone. I do it as part of a government, as part of a caucus. We are working with the provinces, business and labour. This will be a point of

view expressed by all Canadians, except for a certain group in the House that does not want to participate in the process.

We have not been able to get this co-operative view as to how we can change the program. As to the specific point raised by the member, I have said to this Parliament many many times that we are engaged in a very open and honest program to ensure that all views are considered. If that is the point of view of the hon. member, I will take that representation. If the Bloc Quebecois wants to reduce the premium rate and wants to simply have the employees pay it, that it is not the point of view represented by the minister. It is not the point of view that I share personally. It is a point of view that I will bring to this House as soon as I can and will represent the point of view of all Canadians.

* * *

(1440)

THE ECONOMY

Mr. Randy White (Fraser Valley West): Mr. Speaker, here we are just seven weeks since the budget and today's *Financial Post* paints a vastly different economic climate from what was predicted in the Liberal budget.

My question is for the Prime Minister. Short term interest rates for 1994 are up a full percentage point from February and growth is down. For 1995 it is the same picture, interest rates up and growth down, according to 12 leading Canadian firms.

Using the government's own method of analysis, I wish to ask the following question. We all know the Prime Minister said that he has the people and he has the plan. What is the plan now that his people have been proven wrong?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the forecasts mentioned are just some of the ones I would like to mention to the hon. member. The Conference Board's forecast has been revised downward but it is still well above the numbers we used in our very prudent forecast in our budget.

The Royal Bank of Canada last week came out with a brand new forecast. Those numbers show 3.5 per cent real growth this year and 4.3 per cent next year, well above the rates that were used in our budget numbers.

I remind the hon. member that there are some people out there with substantial confidence in the economy and our employment numbers in the last two months show that confidence. The rise in consumer confidence and business confidence is there as well and the private sector forecasts are still well above those used in our budget.

Mr. Randy White (Fraser Valley West): Mr. Speaker, I do not know who the hon. minister has been talking to, but if you look at the economic forecasts in the *Financial Post* or you ask

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the private businessmen or investors in this country you will get a different scenario.

I would like to know if the Prime Minister still believes that further cuts are not necessary or should we wait until the Minister of Finance is back in this House to get a second opinion?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I do not think that the hon. member has looked at our budget carefully enough.

If he had read the budget carefully and looked at the very prudent forecast numbers we used, he would see that our target of 3 per cent of GDP is well within grasp and well within those budget numbers.

If he would like to know to whom we were listening, I was listening to the Royal Bank of Canada's forecast last week and the Conference Board of Canada's forecast last week. I know most of those forecasters personally.

The Speaker: Perhaps it slipped our minds while we were away, but we would prefer that there not be any documents or books waved in the House. It takes a little bit away from the decorum and I would ask all hon. members to please adhere to this request.

* * *

[Translation]

MANPOWER TRAINING

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Prime Minister.

In an interview with the daily *Le Devoir*, the Quebec Premier reiterated his desire to patriate federal responsibilities for manpower training, saying: "Quebec has always done a better job than the federal government with vocational training activities, and I will not settle for less".

Will the Prime Minister agree to this renewed request made by the Quebec government and will he transfer to that province full federal responsibilities for manpower training, as well as the funds to go with it?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, we have had and we continue to have discussions with the province of Quebec regarding manpower training. So far, we have agreed on some points, including the single-window concept, which a number of provinces also approved at the recent meeting held in Toronto with the Minister of Human Resources Development, I believe.

(1445)

Indeed, the Quebec Premier has indicated that he wants to keep negotiating on manpower training. We have taken his arguments into consideration and we will continue discussions with the province.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I ask the minister, who seems to be participating in a lot of discussions, if he will keep discussing until the election campaign gets under way in Quebec and then propose to Quebecers an agreement such as the Bourassa-Campbell one, that is another smoke screen?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, it is not for me to say whether the Bourassa-Campbell agreement was a smoke screen. I imagine that the people have already rendered their verdict on that.

Generally speaking, we will first undertake the income security reform and future agreements with any province, including Quebec, will be based on arrangements reached on future reforms.

* * *

[English]

JOB CREATION

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Human Resources Development.

The government has said again and again that it attaches the highest priority to job creation. To that end the minister has lowered UI premium rates and will soon announce the government's strategy on youth.

What other results can the minister point to that really show Canadians particularly those in Nova Scotia that the government's job creation policies are working?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, perhaps the most important demonstration of a new sense of confidence in the country are the figures we released last week that show there was a very substantial drop in the unemployment rate.

In particular, I would like to say there is .7 per cent, almost 10,000 new jobs created in the province of Nova Scotia alone. It demonstrates that three-quarters of the new jobs created were full-time permanent jobs and not the part time jobs of the past.

I agree with the hon. member it is very important that we take a special look at those who still have very strong needs in the labour market. Young people must be the priority of all members of Parliament because they are the ones who still need the greatest assistance from all of us to get back to work.

THE ENVIRONMENT

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, my question is for the Minister of the Environment.

On January 24 the minister stated in the House that selection of the host city for the NAFTA commission of the environment would be “open, transparent, public and objective, a process free of politics. The selection will be made based on environmental performance of these cities. Montreal along with others will be considered in a non-partisan fashion”. The end result was that Montreal, a city that dumps half of its sewage untreated into the St. Lawrence River, was chosen as the host city.

My question for the minister is this. Why did she mislead this House and 24 potential host cities—

Some hon. members: Order, order.

Mr. Gilmour: I will rephrase that, Mr. Speaker.

Why did she advise the House and 24 potential host cities when she knew that the selection process was fixed in favour of Montreal?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the selection process was never fixed in favour of any city.

I have brought with me today a copy of the report from KPMG. I would be very happy to provide the member and all other members with an opportunity to review every single proposal. I will say to the hon. member that environmental considerations were certainly one of the key considerations.

When he starts pointing the finger at cities that spew sewage, unfortunately there are a number of cities across the country that spew raw sewage into the ocean, including several in his own province. What the member should bear in mind is that Montreal has a plan in place right now to deal with the problem. It will be operational by the end of next year. I only wish that every one of the other 25 applicant cities had as significant a reputation when it came to actually dealing with the problems of raw sewage.

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, my supplemental is for the Prime Minister.

(1450)

Contrary to the environment minister's supposed criteria the Prime Minister now states that Montreal was awarded the environmental secretariat because it has the highest jobless rate.

Given these inconsistencies which hardly justify such patronage, has the government adopted the policies of the previous Conservative government of showing favouritism to the Prime Minister's home province?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have nothing to add to what the Minister of the Environment

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mentioned a minute ago. She did very objective work. Many cities qualified. One of the factors that attracted my attention and which she did not even use was the fact that of all these cities, Montreal was unfortunately the city with the highest unemployment.

All the other factors have been well balanced by the minister. She asked for applications and so on. But when you are the government you have to make a decision eventually. We made a decision and we will not apologize to anybody for exercising our responsibilities.

* * *

[Translation]

HYUNDAI PLANT IN BROMONT

Mrs. Monique Guay (Laurentides): Mr. Speaker, on April 4 in Seoul, the Minister for International Trade stated that he had received assurances from Hyundai officials that the Bromont plant would be re-opened. Since then, the company has indicated that it has no business plan for this plant and that despite wanting to keep the facility in operation, Hyundai was still not certain if it would re-open it. The company has even requested that its employees sign waivers.

Can the Prime Minister shed some light on the nature of the guarantees that the Minister for International Trade may have received from Hyundai officials insofar as the reopening of the Bromont plant is concerned?

Hon. John Manley (Minister of Industry): Mr. Speaker, obviously discussions have taken place between the Minister for International Trade and Quebec's Industry Minister, Mr. Tremblay. He did visit Hyundai and rather frank discussions took place. Clearly, Hyundai is having trouble finding a product to manufacture in Bromont. Our government and the Quebec government want to help Hyundai, if at all possible, to find some way to get the Bromont plant back in operation as soon as possible.

Mrs. Monique Guay (Laurentides): Mr. Speaker, will the Prime Minister not recognize that by making this kind of statement, his Minister for International Trade is making fun of the workers at the Bromont plant and of the region's inhabitants by hinting that there may be some hope that the plant will reopen when in fact no real guarantees have been received?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the minister is trying to work out a solution even if the opposition has concluded that no solution can possibly be found. We will know soon enough. However, as long as we can look for a solution, I hope no one will blame the minister for trying to do his job well.

*Oral Questions**[English]***BOSNIA—HERCEGOVINA**

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister of National Defence or the Minister of Foreign Affairs.

Yesterday for the first time in its 44 year history NATO forces launched an offensive air attack, in this case on ground positions of Bosnian Serbs. This follows a recent downing of Serbian aircraft violating a no fly zone over Bosnia.

Was the minister informed of these attacks before they took place and if so, did he approve of these NATO air attacks on Serbian positions?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, we were informed of what took place. As you know we have military personnel who are very much involved in the operations and what has been done has been done according to UN resolutions.

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, many Canadians are concerned that Bosnia could quickly turn into a combat situation and that restrictive orders or insufficient equipment may leave our troops overly vulnerable.

Can the minister assure the House that Canadian troops in Bosnia are adequately authorized, prepared and equipped to defend themselves if this situation deteriorates?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, it is quite clear that our objective is to not have an escalation of the war. This is why we are pursuing vigilantly our efforts to persuade parties to take part in the peace process.

(1455)

We are very much encouraged by recent initiatives taken by the Americans and the Russians that have brought some of the parties to the table. It has led to a very historic and important agreement being signed in Washington that involves the Croats and Muslims.

Unfortunately the Bosnian Serbs have not yet agreed to be part of this peace process. We hope that they will come to the only alternative there is, which is to make peace and join in the peace effort with the others.

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FISHERIES

Mr. Derek Wells (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

There continue to be reports of Spanish and Portuguese vessels taking undersized cod outside the 200 mile limit on the nose and tail of the Grand Banks.

Will the minister tell the House what the government is doing to stop this activity?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question.

We have recent reports of Spanish and Portuguese vessels taking undersized fish outside the 200 mile limit. There have been about 13 citations issued this year. Most of those citations have been issued for the catch of undersized fish on the Flemish Cap. As the member knows, this is an area where Canada does not conduct the fishery.

Nevertheless these catches of undersized fish are in violation of the conservation rules that we would apply to ourselves and in violation as well of NAFO conservation rules.

This morning I spoke to the European Fisheries Commissioner. I brought this matter to his attention and sought and received his assurance that member states of the European Union will prosecute and penalize those who engage in this kind of improper and illegal fishing activity.

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*[Translation]***EMPLOYABILITY DEVELOPMENT PROGRAMS**

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, my question is for the Minister of Human Resources Development.

As the federal budget creates unemployment and attacks the unemployed, all community groups were very concerned to learn that there will be no new employability development programs or EDPs in most regions. It seems there is no more money.

Can the minister confirm that the reason there is no new money for regular EDPs is because he has decided to keep a discretionary fund estimated at \$40 million for Quebec alone?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, earlier in question period the hon. member's colleagues were making a strong case that we provide more assistance for young people to give them a greater opportunity to get into the job market. Clearly we must look at ways in which we can direct our expenditures to those who are most in need.

We have made no final decision on those allocations. However, I do want to assure the hon. member that we are evaluating programs very carefully to see which ones work or do not work. We will use the very scarce resources we have to target those people in the province of Quebec and throughout Canada who most directly need assistance in getting back to work.

[Translation]

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, I would like to remind the minister that community groups are often front-line groups that are interested in and help people in difficulty.

How can the minister justify the fact that, with Quebec's very high unemployment rate, his only solution is to cut the EDPs and reserve the right to allocate funds as he wishes? Is he preparing for the referendum?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, in fact, there are now 50,000 more jobs in Quebec than last October. There has been a large increase in the number of jobs in the province of Quebec, and I hope that progress will be made in the future. But I must repeat that our government's priority is to assist those who are most in need, such as unemployed young people. And I hope we can count on the support of the hon. member and his colleagues in this effort.

* * *

[English]

YOUNG OFFENDERS

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Minister of Justice.

Last week Nicholas Battersby, a young man from England, was gunned down on the streets of Ottawa by several young offenders. Canadians are sick and tired of inaction.

(1500)

When is the Minister of Justice going to move beyond talk and when is he actually going to do something? When is the minister going to reform the Young Offenders Act? What is the hold-up?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want first of all to express my sympathy to the families of those who lost their lives not only in that crime but in a number of savage and senseless crimes in recent weeks.

I also wish to emphasize in response to the hon. member's question that we cannot let our anger and our grief and our concern about these dreadful events lead us to believe there is a simple or quick solution to the underlying problems of which they are tragic symptoms.

Long before the events of recent weeks this government was working intensively on a specific agenda of concrete action to deal with these issues involving specific changes to the criminal laws to make them more effective, including changes to the Young Offenders Act and the Criminal Code, and at the same time initiatives in respect to crime prevention which ultimately

Speaker's Ruling

will be just as effective if not more so in dealing with the problems.

I assure my hon. friend that in the weeks to come he will see ample concrete steps taken by this government to deal with young offenders and crime in general in this society.

* * *

[Translation]

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of members to the presence in our gallery of His Excellency Francisque Ravony, Prime Minister of the Republic of Madagascar.

Some hon. members: Hear, hear.

[English]

The Speaker: I also draw the attention of hon. members to the presence in the gallery of the Hon. Ghaus Bux Khan Maher, speaker of the provincial assembly of Sindh, Pakistan.

Some hon. members: Hear, hear.

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BUDGET IMPLEMENTATION ACT, 1994

SPEAKER'S RULING

The Speaker: I am prepared to make a ruling on the point of order raised by the member for Calgary West on March 25, 1994 regarding omnibus bills.

I would like to thank the hon. member and also the Parliamentary Secretary to the Government House Leader and the hon. member for Glengarry—Prescott—Russell for the contributions to the discussion.

In his presentation the hon. member for Calgary West contended that Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, is an omnibus bill and as such should be ruled out of order and should not be considered by the House in its present form.

He also maintained there is no unifying principle contained in the bill, that the omnibus bill attempts to amend several different existing laws, that such a bill forces members to take one decision applicable to several different issues and finally that the variety of issues contained in the bill may cause difficulties for the committee charged to study it.

The hon. member also cited the January 26, 1971 ruling of Speaker Lamoureux as well as citation 626.1 of Beauchesne's sixth edition in supporting his argument.

[Translation]

Before addressing the issues raised by the hon. member, I would like to do as my predecessors have done in the past and review for the House our practices regarding omnibus bills.

Speaker's Ruling

For the benefit of all members, I should start by giving out the definition of an omnibus bill as found in the House of Commons' *Glossary of Parliamentary Procedure*. An omnibus bill is defined as: "A bill consisting of a number of related but separate parts which seek to amend and/or repeal one or several existing Acts and/or to enact one or several new Acts."

[English]

The hon. member is correct when he points out that Bill C-17 is an omnibus bill. However, as has been noted in numerous rulings by previous Speakers and most recently in a ruling by Speaker Fraser on April 1, 1992, procedurally there is nothing in our rules and practices which prohibits the government from introducing omnibus bills.

(1505)

In his ruling Speaker Fraser, quoting the hon. member for Windsor West, the current government House leader, described omnibus bills in this way:

The essential defence of an omnibus procedure is that the bill in question, although it may seem to create or to amend many disparate statutes, in effect has one basic principle or purpose which ties together all the proposed enactments and thereby renders the bill intelligible for parliamentary purposes.

This can be found on page 9147 of the *Debates* for April 1, 1992.

[Translation]

One of the reasons omnibus bills are introduced by the government is to aid parliamentary discussion by grouping all statutory amendments for the implementation of a policy in the same bill. As Speaker Jerome noted on May 11, 1977, at page 5522 of the *Debates*, the use of omnibus bills was at that time a well established practice in the Canadian House. This is still the case. In fact, there are numerous examples where legislation to implement budgetary provisions have taken the form of omnibus bills.

[English]

Often confusion arises between the Chair's power to divide complicated motions and the Chair's past decisions not to divide omnibus bills. Part of the confusion is attributable to our concept of what it means to adopt a motion for second reading of a bill.

Debate at second reading relates to the principle of the bill and not to its specific clauses. The principle may be very simple or quite complex. Since there is not necessarily a unique section of a bill which defines its principle the debate is understood to be general at this stage with detailed consideration at later stages.

However, the question before the House is very simple. It is that the bill be now read a second time and referred to a committee, and not that certain sections of the bill be dealt with

in a certain manner. The decision of the House, therefore, is whether to send a bill for further consideration to a committee. The question of the principle of a bill is obviously closely linked to the second reading motion.

The argument presented by the hon. member for Calgary West is: "That the subject matter of the bill is so diverse that a single vote on the content would put members in conflict with their own principles".

However, it is the view of the Chair that in the adoption of a second reading motion the House gives approval in principle to a bill and then moves on to the consideration of its specific provisions in subsequent stages.

[Translation]

It must also be remembered that the Chair has ruled that there is nothing procedurally objectionable to a bill containing more than one principle. Speaker Sauvé expressed this in a ruling given on June 20, 1983, and I refer hon. members to page 26538 of the *Debates*. She stated at that time:

—although some occupants of the Chair have expressed concern about the practice of incorporating several distinct principles in a single bill, they have consistently found that such bills are procedurally in order and properly before the House.

Bearing directly on this matter, the hon. member from Calgary West quoted Beauchesne's Sixth Edition, citation 626(1). I will read the citation for the benefit of the House. It states:

Although there is no specific set of rules or guidelines governing the content of a bill, there should be a theme of relevancy amongst the contents of a bill. They must be relevant to and subject to the umbrella which is raised by the terminology of the long title of the bill.

(1510)

[English]

The hon. member has argued that the House is being asked to take one decision on a number of unrelated items. However, in the Chair's opinion a common thread does run throughout Bill C-17; namely, the government's intention to enact the provisions in the recent budget, including measures to extend the fiscal restraint measures currently in place.

In their remarks both the parliamentary secretary and the hon. member for Glengarry—Prescott—Russell also pointed out that the provisions in the bill had arisen out of the budget presented by the Minister of Finance which had already been debated by the House.

As was underlined by the Parliamentary Secretary to the Government House Leader and the hon. member for Glengarry—Prescott—Russell, the House heard the Minister of Finance make a statement on the budgetary policy of the government on February 22, 1994. The House subsequently debated the budgetary motion for several days and adopted it on a recorded division on March 23, 1994.

The title of Bill C-17 clearly refers to the original budgetary statement and the bill will simply enact certain provisions contained in that statement.

Bill C-17 is an omnibus bill but it has a common thread through it and in my view a unitary purpose.

In conclusion, it is procedurally correct and common practice for a bill to amend, repeal or enact several statutes. There are numerous rulings in which Speakers have declined to intervene simply because a bill was complex and permitted omnibus legislation to proceed.

Hence, while I cannot accept the hon. member's request to divide or set aside Bill C-17, I can suggest to him and to other members that should they so wish they may propose amendments to the bill in committee or at report stage and in so doing have an opportunity to express their views and vote on the specific sections of the bill.

I thank all hon. members for their contributions.

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[English]

CANADIAN SECURITY AND INTELLIGENCE SERVICE

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I am rising to table in this House the 1993 public report of the Canadian Security Intelligence Service. This is the third such report and I am tabling these documents in both official languages.

* * *

CRIMINAL CODE

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to place before the House a brief document in both official languages regarding the need for a Criminal Code amendment specifically prohibiting female genital mutilation.

* * *

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments which were made by the government.

Pursuant to Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached to the documentation.

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GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 22 petitions.

* * *

NATIONAL SECURITY

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, having just tabled the third public report of the director of the Canadian Security Intelligence Service, I am now pleased to rise as Solicitor General to deliver the annual national security statement.

Taken together, this statement and the public report are intended to provide Canadians with an assessment of the current security intelligence environment and information about the government's efforts to ensure our national security.

It is my pleasure to continue this practice because I believe it is essential in a democratic society that Parliament and citizens have this information and that elected representatives are heard on the crucial issues of security intelligence, security enforcement and protective security.

Ten years ago with the passage of the CSIS Act and the Security Offences Act in 1984 a previous Liberal administration laid the foundation for a new national security system.

(1515)

The goal was to create an effective national security system within which there would be a carefully controlled civilian security intelligence agency. This agency would work closely and effectively with the Royal Canadian Mounted Police as well as with other government agencies such as Transport Canada, Foreign Affairs, National Defence and Citizenship and Immigration.

[Translation]

The Service's first years of operation were marked by intense scrutiny of how it went about its business. Concerns about the Service's operational focus led to the creation in 1987 of an independent advisory team to advise the government on how to realign the Service's operational priorities and strengthen its management.

On the advice of the team the government disbanded the counter-subversion branch of CSIS and the Service's use of intrusive investigative techniques was circumscribed to ensure that Canadians engaged in legitimate dissent were not caught up in the security intelligence net.

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The CSIS Act's provision for an external Security Intelligence Review Committee, the SIRC, reporting directly to Parliament and the Office of the Inspector General reporting internally to the Minister, were key innovations in Canadian security intelligence.

[English]

SIRC with its annual reports to Parliament and the Office of the Inspector General with its annual certificates to the minister played an essential role in helping successive solicitors general exercise their control and accountability for CSIS. Five years after the legislation came into force, a special parliamentary committee examined the operation of the CSIS and security offences acts.

In 1991 in "On Course", the then government's response to the committee's report, the then government committed itself to making an annual statement to Parliament on national security and the tabling of a public report from the director of CSIS. Our system of review and control with its built in checks and balances involving the executive, the judicial and legislative components of government are working well.

In effect, the service has been under constant review and adjustment since inception and this should be reassuring to all Canadians. Indeed in its annual report for 1992-93 which I tabled in this House soon after becoming Solicitor General, SIRC concluded that CSIS "is working within the law and operating effectively".

Today we see a service faced with constant and at times dramatic change in the global security environment. Most notably, I speak of the collapse of the Soviet Union and of the classic cold war model of east versus west that was the overriding preoccupation of the national security system.

Members might well ask whether we are reorienting and streamlining our activities in step with today's security intelligence environment. Yes, we certainly are. Two years ago my predecessor asked the CSIS director to prepare for him an assessment of how the evolving security environment might affect the services mandate over time.

The director was also asked to consider how the service should be structured as a consequence and to determine the resource implications of his recommendations. In his report last year the director concluded that although the bipolar tensions of the cold war, which were terrifying but at the same time reassuring because they were known, had largely dissipated, a multiplicity of new threats and tensions has emerged.

The collapse of the Warsaw pact has been a major factor in allowing the government to judiciously prune the services resources. The services position complement has dropped from a peak of 2,760 in 1992 to 2,366 today, a reduction of 394 positions.

As the spending estimates for the fiscal year 1994-95 show, the CSIS budget is \$206.8 million, down from \$228.7 million last year. In terms of reorientation, the director's review confirmed the course of continuing to reduce the proportion of resources specifically dedicated to counter-intelligence while increasing resources directed to counter-terrorism.

(1520)

Allow me also to note what the SIRC said on this issue in its annual report and again I quote: "We believe that CSIS is reorienting its activities in a sensible prudent fashion and the result will be a service that acts effectively against the modern terrorist threat to vulnerable highly interdependent post-industrial societies such as their own and which cost the nation less".

[Translation]

Our approach must continue to be prudent and steady. Mr. Speaker.

We have to be deliberate and measured in any change in the apportioning of our security intelligence resources and tough and adaptable in how we target them.

I say this because while the Cold War may well be over, the global situation does not warrant complacency.

Witness the conclusions of the Director in the public report: The member of foreign intelligence services operating against Canadian interests in Canada or abroad remains substantial.

The activities of former Cold War adversaries have generally been reduced, he notes, but they have by no means been eliminated. The recent arrest of a senior employee of the CIA for allegedly selling his country's secrets seems to bear this out.

[English]

The primary threat to Canada is international terrorism and the bulk of CSIS operational resources is dedicated to counter terrorism.

The conspiracy to bomb a Hindu temple in Toronto, the bombing of the World Trade Centre in New York, and the recent terrorist attack against Heathrow Airport in the United Kingdom bring home the point dramatically that open democratic societies offer vulnerable and attractive targets. Members should also know that terrorists are known to plan and raise funds for their operations elsewhere.

The conclusion of the CSIS threat assessment is both sobering and instructive. Terrorists will continue to avail themselves of the latest technology and to feed on the discontent of extremism both from the right and the left.

As the number of flash points grows around the world so do the potential number of threats. For this reason it is incumbent upon us to ensure CSIS has the ability to investigate and analyse threats and to advise the government so that it can take appropriate action.

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To counter terrorism CSIS works with other government departments and agencies to deny entry into Canada of known and suspected terrorists. It also maintains liaison with foreign intelligence services and here at home with various communities and groups to identify emerging threats.

In this regard I would like to note that this government is concerned that recent arrivals to Canada not be victimized or manipulated by homeland governments or extremist groups. These recent arrivals have come to a new land to escape such conflict.

The disintegration of the Soviet Union has lifted the lid on a cauldron of ethnic nationalism. Disruption is rife and the waves caused are already lapping at our shores. The disruption of governments in some countries is making the work at CSIS and its allied counterparts around the world ever more difficult.

[*Translation*]

A mixture of ethnic, religious, ideological, economic and territorial pressures has increased instability in many regions around the world. The proliferation of weapons of mass destruction, especially nuclear weapons, continues to be worrisome. The increased availability of nuclear technology and the aspirations of some countries to acquire nuclear bomb-making capability are profoundly disturbing.

And as the nature of power changes, many countries are turning their intelligence services to the business of economic espionage, primarily in the developed Western world.

The Director underlines the Service's concern for the protection of Canada's economic security from disruption due to foreign intelligence services.

[*English*]

A key element of the CSIS mandate is to advise law enforcement agencies of terrorist threats thereby allowing police to take preventive action or arrest perpetrators.

The Royal Canadian Mounted Police is an essential part of our national security system, being responsible for protective security and for investigating security offences.

(1525)

In addition to its responsibilities under the Security Offences Act it also provides security for VIPs, federal properties, including some airports and for foreign embassies and missions here on our soil. CSIS and the RCMP work closely together and it is my role as Solicitor General to work to ensure that the two agencies do not fail in their work to provide effective protection for Canadians and Canadian interests.

For example, CSIS provides security and threat assessments and the RCMP provides protective security for major events which have the potential to attract terrorists and extremists.

By way of conclusion, I want to say that this government in the speech from the throne committed itself to playing an active internationalist role in the global arena. As the speech said, in the light of the radical changes which have occurred in international affairs in the last few years, the government has asked parliamentary committees to review Canada's foreign and defence policies and priorities.

[*Translation*]

Mr. Speaker, we will want to follow these reviews closely and analyze the results for possible implications for our national security system.

Clearly, we should be prepared to make necessary adjustments in light of changing national security interests and realignment of foreign and defence priorities.

[*English*]

As I have just discussed, our orientation and national security is influenced considerably by the global security environment. Just as our national security system has undergone adjustment and reorientation over the last 10 years, so must we be ready to adapt and reorient in the coming years. I say this because Canadians are concerned about their sense of security in the world, a world that is ever more influencing our conduct at home in terms of the economy, jobs and protecting the environment and protecting our democratic institutions.

I believe that Canadians want an effective national security system. Therefore our government intends to pay close attention to national security issues but in a manner consistent with our democratic institutions and with our Charter of Rights and Freedoms. I have no doubt that hon. members expect no less.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, to begin, I would like to thank the Solicitor General of Canada for letting me see and read his statement, his press release and the report he quoted. We were able to become acquainted with it all before he read it and I thank him for that.

That will be the only thanks I extend to the Solicitor General of Canada and to the government in general today, since we were read a statement that I think is completely empty and contains nothing instructive on this area of the jurisdiction of the Solicitor General of Canada.

I think that it raises many more questions than it answers. The Solicitor General acted like his predecessors; that is, he very solemnly read an annual statement. I think that Canadians and

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Quebecers want to have more than this very broad information. We want to know to what use the money we give this government and this agency in particular is put.

If the real purpose of this statement and the public report was to provide Canadians with an assessment of the present intelligence and security environment and especially to inform them about what is being done to protect the security of the country, I think that they have missed the boat again; we learn absolutely nothing. A lot of information is scattered left and right as a diversion but there is nothing substantial to show the real value obtained from the \$228.7 million spent by the Canadian Security Intelligence Service last year. That is not peanuts—it is a quarter of a billion dollars.

I am sure that the Solicitor General of Canada will answer me that for reasons of national security, the government cannot reveal more.

(1530)

But would it affect national security to know in which province CSIS spent the most or which province benefited the most from the \$228.7 million spent last year?

Would it affect national security to know about inactive files—I hope that CSIS has closed a few files in its ten years of existence—so that we have tangible evidence of what this service has accomplished, in what areas it has conducted investigations? Would it affect national security to know that Quebecers and Canadians have in their hands something tangible to check whether or not they do a good job?

Would it affect national security to know which investigations saved lives or prevented attacks or disasters? Unfortunately, what we now see in the newspapers is only the negative side. I am quite willing to offer constructive criticism but I am not provided with the arguments, the files or anything else I need to do so. We now hear about things like Air India that are not too flattering to CSIS, or about terrorists entering Canada. But if we had something more constructive, more positive in the reports, we could present different arguments.

In ten years of existence, as I was saying earlier, and three public reports, I feel that something more concrete could be said to increase transparency without threatening national security. I think that if the government wants to be more transparent, it should apply this philosophy in these reports.

True, the Canadian Security Intelligence Service itself is watched by the Security Intelligence Review Committee or SIRC, as the Solicitor General said earlier. It is reassuring to know that, Mr. Speaker. I feel comforted by the fact that the Solicitor General of Canada is reassured by SIRC's last report saying that CSIS operations were legal and effective.

But who are the wise people who wrote this report and came to this conclusion? I am going to name them because I think that some members of this hon. House do not know them.

They are Jacques Courtois, a 73-year-old lawyer; Rosemary Brown, a 63-year-old social worker and the first Black woman to be elected in British Columbia; Edwin Goodman, a 75-year-old lawyer; George Vari, 70; and Michel Robert, whose age I do not know, a former national president of the Liberal Party of Canada.

When we see who is overseeing this committee, we may wonder. I am not saying this is not a good group whose members are not qualified, but what right have these people to monitor an organization that we in this House cannot monitor? I think that we must be even more suspicious of and look more closely at an organization such as CSIS. And I think that the recently elected 35th Parliament has the mandate and the capacity to determine if this \$228.7 million is well spent. On the contrary, this job has been given to a committee where the average age is about 70. These people are probably friends of the government but are they qualified to present such a report and say that yes, everything is consistent with the law? I have my doubts and that is why I cannot present a very positive report, because we were given a statement almost impossible to verify, general principles, wishful thinking, but nothing more tangible. When we see who monitors CSIS, we realize there may be a problem there also.

(1535)

Mr. Speaker, as I said earlier, the friends of the government who sit on the external review committee may have a definition which is different from that of the legitimate elected members of the 35th Parliament on what the protection of Canadians and Quebecers' lives, as well as of the country's interests, entails.

As for the legitimate Official Opposition, I can tell you that we surely have a definition which is different from that of the Security Intelligence Review Committee. Since the Solicitor General of Canada quoted an excerpt of the report in his statement, I will also refer to a part of this report which raises questions in my mind on just what the protection of life means.

In its report, the committee notes that in a small number of recent cases—identified by the five people I referred to earlier, whose average age is 70—the intelligence gathered by the Service during these investigations on certain individuals seemed unrelated to the issue of national security. The committee is also of the opinion that even though some investigations were related to law enforcement issues regarding legal protest activities or the expression of dissent, no intelligence information leads it to conclude that activities described in paragraph (c) of the definition of threats to the security of Canada, in section 2 of the Canadian Security Intelligence Service Act had occurred.

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I wonder about this excerpt. Are we going back to the good old seventies? This could well be the case. I would have liked to know when these investigations were conducted, who was targeted, and in what province they took place. What legitimate protest triggered these investigations?

As long as we have an external review committee with no democratic control over targeted intelligence activities, the risk of bias will always exist.

Members of the external committee are not elected. There is no parliamentary control over intelligence activities and, in spite of what the Solicitor General said earlier in his speech, I find this situation extremely dangerous.

When we have a real report, a report with real questions and real answers, then we may be able to make more constructive criticism. What we have right now is an extremely important organization, important enough not to have to come before elected representatives. We were elected and these people do not even have to come before us to explain what they do exactly. Moreover, in these difficult times when the government keeps saying that we must tighten our belt, it spends \$228.7 million and we cannot even see how the money was used.

Until we have a real report with real answers, it will be very difficult for the opposition and for democracy in Canada to come to a conclusion on this.

[English]

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, as a member of the Standing Committee on Justice and Legal Affairs I am pleased to respond to the minister's statement on the tabling of the annual report of the Canadian Security Intelligence Service.

In the public's view of CSIS there exists an inordinate secrecy about its general operations and an apparent lack of accountability to the government and the Canadian community it serves. This report tabled today does not assuage legitimate public concerns about the underlying assumptions of the existence and the operational philosophy of CSIS.

We are in a time for governments when business as usual is not good enough. The government of the day is being forced to recognize that basic reviews of social programs and general priority setting of departments will happen one way or another.

It can be done in a rational way or by disjointed incrementalism. It is like rushing, putting out fires so to speak, when the crisis of finance and popular political support implodes upon the sleepwalking government as it stumbles along toward a new Canada of new international, fiscal and democratic realities.

(1540)

When we come back to look at CSIS from this side of the House there is an increasing uneasiness about the aspects of a

government bureau that spends a fair amount of public resources to in effect maintain an image while at the same time satisfying the self-serving interests of insular survival at a time when all else in government is under fundamental review.

We are in social service review and, more closely to CSIS, the military establishment will be undergoing a white paper review process. Certainly it is also time to ask this government about CSIS, its mission statement, its performance results measured against its own goals and mandate laid out in the previous annual reports and the legislation.

There has been fundamental review before but we need more than the current committee oversight process and annual reports.

I have been 21 years in provincial public service and I have come to appreciate how government bureaucracy can become focused on its self-importance and develop a driving agenda that is so right for those on the inside while it is losing the proper connections with those it was originally created to serve.

From the opposition chairs, from this side of the House, from Her Majesty's loyal constructive alternative, I want to ring the bell of this government again on the community accountability issue for CSIS. Members of the Liberal cabinet may think it is business as usual, they may think they have the traditional Canadian divine right to govern, for after all they are the Liberals. It is a new Canada of more open and accountable government that is the standard required.

The pre-Confederation reformers' agenda of responsible and accountable government beyond mere representative government has finally come of age and is represented by a new wave of Reformers in this House. We question the business as usual attitude, the annual report of CSIS which really tells this House nothing much about what goes on there. The public report is a good press release but justifies nothing.

I am quite aware of the difference between the operational confidentiality required for the organization to be effective and the new higher level of ongoing accountability that citizens are coming to demand of government which in so many areas this government has not comprehended, being stuck as it is in old Canada thinking.

CSIS is said to look after security intelligence, national security enforcement and national protective security. The 1994 report is said to provide a window on security intelligence. I think it is a very small window and not large enough to let the light in of effective accountability.

CSIS is mandated to perform a difficult job, formerly done by the RCMP which led to a national scandal and the resultant creation of CSIS as a solution. One wonders what the 1994 scandal will be—cigarettes? I do not have any alternatives to present today.

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We have CSIS. We need such an organization. It has legislation, resources and about 2,500 people involved. That is no small change. Daily in the media Canadians hear from around the world reports of war, political unrest and intrigue and a changing geopolitical landscape. Canadians want to be assured that someone is minding the store and tracking world events specifically in a Canadian security sense in view of vital Canadian interests.

The cold war is over. The western alliance intelligence systems have had to re-examine operations, assumptions and priorities. Despite the reports that are annually tabled and the current review and accountability structure, how is CSIS really? How is it moving to respond to rapidly changing world circumstances and the emerging new risks?

Specifically, despite what we have all heard about CSIS has it been able at this point to become truly proactive and predictive or is it still largely reactive or, in the vernacular, functioning "catch as catch can".

Issues of espionage, foreign influence, illegal activities in Canada and politically motivated violence are of grave concern. The world is a less predictable place. Canada is an international player and cannot isolate itself.

Hostile intelligence services of other governments, transnational corporations, which often are larger than many countries in resources and capabilities and are accountable to no one, these are issues for CSIS. As the number of global power centres grows so does the potential for threat.

As Canada becomes a seller and inventor of high value added technologies, both Canadian law and our international trade agreements may be broken by both the Canadian criminal element and underground operatives in the nations with which we trade.

(1545)

Economic espionage is not new but it is a major issue for CSIS. This activity disrupts the level playing field which is a principle of international trade agreements. Yet there is a doubtful priority given to it. Accordingly, last year there was a liaison program from CSIS to the private business sector to enhance understanding of vulnerabilities.

Unfortunately the marching orders for CSIS' role in economic security was defensive, only advisory and precautionary. Canadian law could be broken. International conventions could be violated, our trade agreements subverted yet in economic espionage CSIS was again to be passive, reactive rather than proactive.

What about specific training and research done jointly with manufacturing associations or other national trade and financial organizations? It is community policing at a national level, block watch in the industrial, technological and financial sec-

tors. I doubt from what I have heard that CSIS has anywhere near that kind of preventive, predictive level of operation, yet that is the best kind of law enforcement.

To say that private sector industrial espionage is strictly the responsibility of the private sector is like standing guard at the front door while the thieves come and go at will through the back door.

Monitoring and intercepting the deadly traffic of weapons and their associated technologies is a CSIS role. Terrorism is active in the world. Canada has been used for fund raising for foreign weapons buying and sometimes as a safe haven for numbers of extremist groups. CSIS, the RCMP, the military, Immigration and so on have overlapping roles to control criminal acts from these sources.

Global trends of ethnic nationalism, fanatic types of religious fundamentalism and other forms of destabilizing ideological extremism warrant vigilance. The immigrants to this country and the millions who have come since the 1970s must be protected from foreign influenced activities and be dissociated from former homeland quarrels, violence and extortion. These immigrants must not be exploited by homeland interests. Old disputes from offshore must not continue in and through Canada.

The sources of terrorism remain strong. Nationalism, separatism, ideological extremism are I am sure some of the things that CSIS touches as it works to ensure the safety, security and integrity of our society within the context of a national security system.

The task of monitoring our national security agency is not one that parliamentary systems handle very well. With CSIS, we pay the piper but we never hear the tune or have much knowledge about what instrument is being played. We invest large sums of money in gathering security intelligence. I am not too sure we know what to do with a lot of what is gathered.

CSIS is something like a national insurance policy or a security alarm in the night to protect the public and national interest. Value for money then is an issue. How do we know the alarm works or if it is even turned on. We see the CSIS budget stay about the same despite changing realities. They are coming together in one building, organizing and reorganizing. I certainly hope that by now the internal turf wars are over between the grandfathered RCMP types and the other technocrats.

Reputation has it that for the past while much of CSIS' resources have been used up by itself for itself with infighting, reorganization upon reorganization with not much of real product or results for the national interest, the basic reasons why CSIS exists. This gets back to the basic issue of accountability.

Although I am sure we have people there who see themselves as dedicated and hardworking, secret unaccountable organizations, like governments that behave that way, very soon get completely off the rails. There must be an ongoing tension for an

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efficacious result as the blank check of power is very corrupting to those within the system.

As a final suggestion, it is often the lowest level operatives in the system who actually deliver the service, the ones who actually do the work that are the best source for renewal, new and better accountability and a help for a mission statement. They usually are never asked or seriously considered.

In summary, CSIS must be accountable, not in just that it spent its money within the allowable vote and its accounts are correct. Canadians have a right to know that the existence of CSIS is worth it. My opening remarks related to a change in community attitude against top-down, we know best government activity.

(1550)

I thank the minister for his report. I make the point for the need of better, broad based accountability. Increased public confidence in CSIS can only strengthen its role. I close by saying we hope against hope that CSIS can truly deliver a degree of security that places our nation in the ranks of the more fortunate few nations that have peace, order and good and honest government.

* * *

GREENPEACE CANADA

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, on March 24 I responded to the hon. member for Comox—Alberni on a question concerning the registered charity status of Greenpeace Canada.

I looked into the situation as promised. I wish to inform the member that Greenpeace Canada was formerly a registered charity but this status was revoked in June 1989 by Revenue Canada at the request of Greenpeace itself.

The Greenpeace Canada Charitable Foundation is however a registered charity and it is quite distinct, I am told, from Greenpeace Canada.

With respect to advocacy, political advocacy is permitted to a registered charity but only in a very limited sense. When we get information that this provision is being abused of course Revenue Canada carries out investigations.

I trust this will explain that Greenpeace Canada is permitted to carry out any advocacy that it wishes and that it does not in fact receive charitable status for receipt purposes.

[Translation]

The Deputy Speaker: As the hon. members know, the Official Opposition is entitled to reply to the minister's statement. Does anyone from the Bloc Quebecois wish to speak? The same goes for the Reform Party.

[English]

Is there somebody from the Reform Party who wishes to reply to the statement by the minister?

Mr. John Duncan (North Island—Powell River): Mr. Speaker, if I understood the minister's statement there is a difference between the international Greenpeace organization and Greenpeace Canada. If I understood the context, is it allowable to transfer funds from the one organization to the other?

The Deputy Speaker: I do not believe it is an opportunity for further questioning. I think the way the rules work, as spokesman for your party you have to make a statement rather than ask a further question of the minister. If you wish to ask a question perhaps at a later time or else make a statement now putting your points on the record the hon. member may do so.

The Chair takes it that the hon. member does not wish to make a statement at this time in the name of the Reform Party.

Mr. Hermanson: Mr. Speaker, just for clarification. Was proper notice of this minister's statement tabled with the House before the statement was made?

The Deputy Speaker: Ministers are not obliged to give notice of the fact that they wish to make a statement. As the member will appreciate, it is normally done when a formal statement is being made such as was made by the Solicitor General. However, it is not a requirement that a minister do so.

Mr. Duncan: Mr. Speaker, I misunderstood the intent. The answer is that I do not wish to make a statement at this time.

Mr. Hermanson: Mr. Speaker, the Reform Party would have responded to the statement had we been notified that a minister's statement would be forthcoming.

* * *

(1555)

CREDIT CARD INTEREST CALCULATION ACT

Mr. Paul DeVillers (Simcoe North) moved for leave to introduce Bill C-233, an act to provide for the limitation of interest rates, the application of interest and of fees in relation to credit card accounts.

He said: Mr. Speaker, I wish to introduce a private member's bill entitled an act to provide for the limitation of interest rates, of the application of interest and of fees in relation to credit card accounts.

The purpose of the bill is to make the rules that govern credit cards fairer for the consumer. Such legislation is long overdue and I look forward to debating the provisions of the bill in the very near future.

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

*Government Orders***PETITIONS**

LAND CLAIMS

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have the duty to present petitions on behalf of the Kaska Tribal Council of British Columbia and the Yukon. The petition is signed by residents of Watson Lake, Lower Post, British Columbia and that general area covered by the Kaska Tribal Council.

The Kaska Tribal Council in this petition is urging the Minister of Indian Affairs to confirm to the Kaska Tribal Council that Canada will honour its fiduciary obligations to the Kaska Tribal Council under the 1989 framework agreement on land claims. It also urges the minister of Indian affairs to remedy any breaches to date to the 1989 framework agreement, including those that may be contained in the umbrella final agreement signed in May 1993.

FOREIGN POLICY

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, I rise today pursuant to Standing Order 36 to present a petition which has been certified correct as to form and content by the clerk of petitions.

The petitioners request that Parliament review Canada's foreign policy through a process involving broad consultation and participation and improve the official development assistance program so as to support more effectively the solutions put forward by poor countries to meet their own peoples' needs.

These petitioners are from Summerland, Penticton and Naramata in the riding of Okanagan—Similkameen—Merritt. I present this today.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

The Deputy Speaker: I wish to inform colleagues that pursuant to Standing Order 33(2)(b) because of the ministerial statements, Governments Orders will be extended by 38 minutes.

GOVERNMENT ORDERS*[English]***BUDGET IMPLEMENTATION ACT, 1994**

The House resumed consideration of the motion that Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994 be read the second time and referred to a committee; and of the amendment.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, the omnibus nature of this bill makes it very awkward to deal with the component parts contained in it. Some of the items are realistic and reasonable. Some are not.

In normal circumstances one studies a bill and then makes an informed decision whether or not that bill should be supported. In the case of Bill C-17 that decision is not so easy to make.

One of the great political red herrings of the past Parliament was the Charlottetown accord. It too was omnibus in nature. There was something in it which almost everybody could accept collectively and there were areas which almost no one could accept as well. On the whole the majority of the Canadian population rejected the accord because in an all or nothing arrangement there were too many areas that were not acceptable. Therein lies the problem.

(1600)

Since the rejection of the Charlottetown accord the past and present government have used the rejection to throw back in the faces of people advocating such timely reforms as an elected Senate the fact that such a reform was offered and rejected.

At the same time the government seems able to proceed with such constitutional items as official bilingualism for another province, changes in wording of an agreement which allow a bridge to replace a ferry system and negotiations on aboriginal self-government.

Thus is the problem associated with omnibus type bills which have in the past created a lose-lose situation for many of those involved in the process. It is with this obstacle in mind that I have prepared my position on transportation subsidies.

The prairie grain farmer has many problems in attempting to operate a successful and very necessary business in Canada. For years grain farmers have been receiving freight subsidies to offset the cost of grain transportation. There is in this subsidy a bit of a misconception. The farmers do not receive the subsidy directly. It is paid to the railway and there many unresolved

problems with the rail system which I believe are further complicated by the manner in which the subsidy is paid.

By paying the railroad directly one would assume that they ship all the grain and the overall cost of the freight is reduced by the subsidy amount. This is not the case. Many grain elevators are full to capacity and have been for quite some time. Some of these elevators have not seen a rail car in over two months.

A further complication to this is the spring road weight restrictions which are now in place which make it even harder for farmers to move their grain when elevators space does become available. Grain farmers are not paid for their harvest until it is sold and shipped to the purchaser. In the interim period grain farmers are not only not paid for their work and expenses, they also incur further costs which are often the difference between making a decent return on their labour and investment or going broke.

Some of these include the cost of storage of grain, interest charges on debts which should have been reduced or paid off from the proceeds of the grain sale, lost sales as a result of failure to deliver the product on time and demurrage charges levied by ships sitting in Vancouver harbour empty, waiting on grain to be delivered by the railway. These demurrage charges run up to \$20,000 a day and some ships have left the harbour empty after collecting as much as \$350,000 in demurrage charges.

The total crop transportation subsidy last year was about \$36 million. Western grain farmers have lost approximately \$200 million in grain sales and demurrage charges alone since the beginning of the Vancouver port labour dispute which the government was so reluctant to end.

Since the 1970s provincial and federal governments and the Canadian Wheat Board have supplied thousands of hopper cars to the railway. The Western Grain Transportation Act pays a transportation subsidy directly to the railway. In doing so there seems to be a loss of accountability which can be addressed very easily.

Paying the subsidy directly to the grain farmer on a pro rata basis will allow the farmers to have more control over the method of shipment and provide more incentive to the rail lines to move the grain more effectively and efficiently. The concept of a reduction in the amount of the subsidy paid is not where my concern lies. I know costs have to be cut and this is an area that has potential for reduction. These cuts however must not be solely on the backs of the grain farmers who are already in a very insecure financial position.

In normal business practices one looks at a rate of return on an investment. A return of 10 per cent is not considered particularly high, especially if there is an element of risk involved.

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In addition, one normally and reasonably expects to be paid something for one's labours. Many grain farmers are currently paid less than one-quarter of the normal return on their investment that they hold. If we look at their total income in light of that small investment return they are paid nothing at all for their labours.

These farmers are not growing coloured TVs or fancy furniture. They are growing the food we need to produce in this country to maintain our independence for this vital commodity and an extremely important export product which helps maintain the economic viability of our country in an international global market.

(1605)

We cannot simply turn our backs on the needs of the farmer. We must find a way to reduce expenses like the grain transportation subsidy without creating further economic hardships on people who are a vital part of our food chain and economic well-being.

The changing of the payment of the subsidy directly to the grain farmer is the first step. This step however must be accompanied by further changes to reduce unnecessary loss of income caused by the current transportation problems.

Subsidy reductions contained in the 1994 Liberal budget would result in a saving of approximately \$5 million.

If the government were prepared to take some initiative in ending the unnecessary loss of income through the current transportation problems, not only would the subsidy reduction not create a further hardship, it would open up the potential for further reductions without hardships at all.

In short, there is a potential in this small portion of a great all-encompassing bill for savings in the area of grain transportation subsidies, but the government must do its homework first. In this draft that homework has not been done.

I trust the government will accept these remarks as items to consider and modify this entire section before it is brought before the House again.

I now turn my attention to the Atlantic region transportation subsidies. The Atlantic region consists of New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, Labrador and the eastern portion of Quebec. The purpose of these subsidies is to promote and encourage the transport of goods within the Atlantic region.

There are three different components to these subsidies under the Maritime Freight Rates Act. The first is a basic westbound subsidy on virtually all commodities travelling from inside the region to territories outside the region.

In 1992 this totalled \$38.4 million, \$9.6 million for rail transport and \$28.8 million for truck transportation; a separate

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westbound selective subsidy of 20 per cent on selected goods which were actually manufactured inside the region as opposed to simply passing through.

In 1992 this totalled \$13.7 million, \$3.7 million for rail transport and \$10 million for truck transportation.

In addition, there was an internal regional 10 per cent subsidy which was reduced to 9 per cent in the budget of April 1993 on a selected list of commodities. In 1992 this totalled \$57.7 million, \$9.5 million for rail transport, \$47.5 million for truck transportation and \$.7 million for marine transportation.

The combined total of all Atlantic subsidies for 1992 was \$109.8 million.

In the budget of April 1993 this \$109.8 million subsidy was reduced by 10 per cent. To achieve this cut the overall westbound rail shipment subsidy was cut from 30 per cent to 28.5 per cent.

Other reductions in costs were made through general administration and internal cutbacks across the board.

This year's budget calls for another 5 per cent cut in the total Atlantic shipping subsidy, which now sits between \$100 million and \$105 million, commencing April 1994.

Once again I find myself in a mix of support and opposition. On the one hand we have the continuing problem of the needs of government to reduce expenditures. On the other hand I find the government has once again not done its homework.

The general economy of the maritimes is fragile at best and the government while recognizing the need to reduce its spending must also be mindful of the need to examine all areas of savings before taking any arbitrary action.

The reduction of the Atlantic shipping subsidies as proposed is not unreasonable. The reality is these subsidies could probably be reduced considerably more but not without coupling these reductions with other changes.

One of these changes is the removal of interprovincial trade barriers in the region. These barriers already cost the Atlantic region more than the total value of the regional development grants. As in the case of western grain farmers, subsidy reduction would be a lot more palatable if it were coupled with reductions of other costs of doing business.

Another area that should also have been considered is the cost of keeping the port of Montreal open in the winter months. Currently icebreaking services are provided by the coast guard at no cost to the shippers or ships that the goods travel on. This creates two problems. First, this service costs the federal government about \$33 million a year. To be sure some of this, about a third, is spent on flood control work. The rest amounts to yet another transportation subsidy costing the Canadian taxpayer

er four times the amount of saving in the Atlantic regional freight subsidy reductions proposed.

(1610)

Second, this free service actually works against the Atlantic region by subsidizing the movement of goods through the maritimes in the winter instead of utilizing the ice free ports in Halifax and St. John's. It is well and good to have this service available for ships wishing to utilize this service, but it should be user pay. This would result in savings far in excess of the current amount targeted by the government and at the same time likely produce some economic benefit for the Atlantic ports.

To put it mildly, the St. Lawrence icebreaker issue certainly seems ironic considering the large degree of difficulty the Atlantic shipping industry is presently going through. The disorganized, self-defeating government policy in subsidy fields does not end there.

To add further fuel to the fire I must also express some sincere concerns regarding the proportion of truck subsidies received in the Atlantic region when compared with the alternate subsidies received by rail and marine transportation sectors. I am a bit perplexed as to why the government would provide such a proportionately huge subsidy for the very industry that is supposedly bringing about the untimely demise of our nation's rail system.

This is particularly true in the case of Atlantic Canada which has been suffering a great deal in recent years and has suffered deep cuts by both Canadian National Rail and Canadian Pacific Rail as a result.

Although there is certainly an argument that is to be made that Canada's railroads are not competitive enough to go head to head with trucking firms in the ongoing quest for this market share, I am not sure that I am prepared to accept this argument at full face value. The fact that major trucking companies are being so well subsidized by the government is bound to have a negative effect on our important rail system, something that will only hasten the demise of the rail lines in the Atlantic region.

Prince Edward Island and Newfoundland in particular have already felt the sting of line closures, a predicament that strikes at the very heart of interprovincial arrangements which were made with the east at the time of Confederation. This relatively heavy subsidization of truck transportation in Atlantic provinces is a double pronged blow to our nation's railroads.

The reason for this is simple. The disproportionate amount of direct subsidy money received by trucking firms amounts to a second major subsidy for this industry which already receives a major indirect subsidy in the form of government paid highway construction and repair. Whereas railway companies like CN and CP are obliged to basically pay their own way for the upkeep and maintenance of their expensive rail lines, trucking companies are under no such obligation when it comes to Canada's roads. Yes, there are fuel taxes paid by trucks that travel down

our highways but trains are also obligated to pay these same taxes.

The result of this scenario is that trucking firms are being assisted in their transportation responsibilities to double and triple the tune of what our railways are receiving on a per capita basis.

While all this is happening our essential highways, particularly the Trans-Canada, are crumbling beneath the weight of heavy 18 wheel vehicles that are not required to pay their full share of much needed repairs. At this point it seems unlikely the federal government would be willing to put any more money into expensive highway renovations. This has not been done for years and the present deficit mess certainly does not lend itself to alleviating the often dangerous conditions drivers must deal with.

Nevertheless, the fact remains that the present subsidy system in the Atlantic region as it now operates is obviously geared to work against railways that might not be so indebted at present if it were not for unfair government policies.

I am not arguing that the subsidy systems provided to Atlantic Canada are too high, although it is good to see small cuts have been made by the government in this sector. What I am arguing is that subsidies are being unevenly, unfairly, unwisely spread throughout the transportation sector.

This is what I mean by the government not having done its homework or having the courage to alter and improve what is clearly an very inequitable subsidy system. I would hope and expect that the Minister of Transport will give some serious consideration to the revamping of its funding allocations in the weeks and months to come. There are clearly much greater potential savings than those proposed by the government and without serious effect on either group or region involved.

Beyond the fact of subsidy issues we are now talking transportation matters and none of this has come before the transportation committee.

(1615)

I generally support both subsidy reductions proposed by the government although I cannot support the overall bill because of clauses that have nothing to do with the subsidies. I suggest the government now commence to complete its overdue assignments: government cost reductions coupled with economic benefits to these regions.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would have a comment to make on the extremely well-thought-out speech by the hon. member who just spoke. At the beginning of his speech, he talked about subsidies which should be paid directly to the farmers instead of to the railway to ship wheat, for

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example, from the West to the East. This battle has been going on for years and is known as the Crow's Nest Pass battle. That debate reflects the conflicting philosophies of agricultural development in Eastern Canada and Western Canada.

If the hon. member thinks that these subsidies should be paid directly to western farmers, you will understand that eastern Canada, Quebec in particular, is dead against it because this freight assistance was intended to allow all regions of Canada to be supplied with wheat, and not to provide the grower with a subsidy he could then use as he wishes, to pay for shipping wheat, raising cattle or operating a slaughterhouse. In other words, to use this money to increase his personal wealth without necessarily supplying regions where wheat is less plentiful. That is why this assistance was applied directly to transportation, to ensure supply.

If we, in Quebec, object to it being any other way, it is because we believe that, if the province of Quebec—with about 25 per cent of the total population of Canada—were assigned 25 per cent of the overall budget for agriculture, it would be receiving \$800 millions more every year and could easily use this extra money to diversify its agricultural production.

On the other hand, if the assistance went directly to the grower, then the money which was intended to be applied directly to transportation would be directed to that region of the country where it would be put to a use that differs from the very objective, the very principle of Crow's Nest, as it was called, which would destabilize the entire Canadian farming industry. We have always been opposed to this direct subsidy concept in the East, that is to say in Quebec as well as in eastern Canada.

You may remember that there was a report tabled by the previous government. In 1983, the Liberal government had considered subsidizing growers directly, but the idea was rejected. Later on, following an extensive Canada-wide debate, the Conservative government also held an inquiry into the Crow's Nest problem, which concluded that things should remain as they were. The very fact that the hon. member raises this issue again today goes to show that a block really exists and how different both sides' philosophies are.

As for his remark on transportation in the East, it goes without saying that we too, in Quebec, are not clear on a certain number of things. But one must bear in mind that in that case, we are dealing with a common household commodity like potatoes. If a potato grower from Prince Edward Island or New Brunswick receives federal freight assistance, that will cause some inequity vis-à-vis growers from other regions, like Ontario and Quebec, who have started to grow this product. For example, the grower from Pierreville, in my riding, who wants to sell his potatoes in Chicoutimi receives no freight assistance, while potato growers from New Brunswick or Prince Edward Island do.

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(1620)

So, that is somewhat unfair. However, we recognize that this legislation to help the Eastern provinces is still worth something and we think the freeze will be extremely hard on these regions which are going through tough economic times. The 10 per cent freeze stipulated in the legislation is a very harsh measure.

As for the 10 to 15 per cent increase in the West, it is also a tough decision which brings into question the supply process we had in the East for crops coming from western regions. Finally, the hon. member wondered about the port of Montreal and mentioned that the use of ice-breakers was extremely costly. Personally, I think the port of Montreal was one of the most profitable ports in Canada and was affected by the opening of the St. Lawrence Seaway. If you want to maintain the seaway, which does not serve only Montreal, but links the city to other parts of Canada, you need to keep the port of Montreal open in the winter months. That seems as obvious to me as it was to the Government of Canada when it decided to build the Seaway.

Although I understand very well the issues raised by the hon. member, I want to tell him that I do not agree at all with him about wheat production in western Canada and the subsidies going directly to the farmers instead of the shippers. Above all, I do not agree with his view on keeping the port of Montreal open in the winter months, even though it costs money. We have gained some expertise in the area of ice-control throughout Canada and the Coast Guard is renowned throughout the world. We could even export our expertise, make it some kind of know how, as you say in English, knowledge we could export.

That is all I had to say following the brilliant speech made by the Reform member, even though I do not agree with him.

[English]

Mr. Gouk: Mr. Speaker, I thank the hon. member for his comments and questions.

With regard to prairie grain subsidies I would point out that if they go to the farmers they still have to transport their grain. It is not a question that they are going to pocket that money, use it for other things, and not bother to ship their grain because there is no way to get paid until they ship it.

The point I was trying to make during my presentation was that these subsidies to western grain farmers could be reduced or, for that matter, virtually eliminated if we also eliminated the other unnecessary expenditures they are burdened with right now because of the problems with shipping grain other than the cost factors.

With regard to the port of Montreal the hon. member seemed to indicate that it should be kept open because it was a decision made by the Canadian government. It was also a decision made

by the Canadian government that put us over \$500 billion in debt. I do not think the hon. member likes that decision. Many decisions made in the past have to be questioned.

I am not questioning whether we should be keeping the port of Montreal open. To suggest that we shut down the port would be ridiculous. In my speech I said that I had no objection to the icebreaking service being made available to ships, but let them pay the cost of having this service provided to them. It otherwise forms an extremely expensive offset subsidy in direct proportion to all other subsidies for the service.

We have to look at ways of cutting all costs right across the country in virtually every area the government does business. This is just another way of addressing the problem.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, it gives me great pleasure to join today's debate. I am rising to speak in support of Bill C-17 and to address more particularly clause 18 which introduces an amendment to the Broadcasting Act. This amendment will allow the CBC a greater measure of financial flexibility.

(1625)

I would like first to convey my appreciation to the Minister of Finance faced with the difficult task of balancing so many competing priorities. His support for the CBC has been most gratifying. I know the employees of the CBC, including very many talented Canadian artists along with millions of loyal CBC viewers, also join me in expressing their appreciation.

[Translation]

The importance of public broadcasting in Canada fully justifies such a commitment. Thanks to public broadcasting, Canadians remain in touch with one another locally and nationally scene and with the whole world. Public broadcasting also gives all communities across this vast country of ours a chance to define and articulate their own vision of the world. Public broadcasting plays a decisive role in reaffirming our national identity.

That is why annual budget funding for the Canadian Broadcasting Corporation totals about \$1 billion. This is 62 per cent of all federal funding for cultural agencies reporting to the Department of Canadian Heritage.

However, the financial situation of the CBC has deteriorated in recent years. Since 1984, its budget has been cut by over \$200 million, which has had the effect of increasing its dependence on advertising revenue. In 1984, this source of financing made up 21 per cent of the CBC's total budget. Today, it is 36 per cent of the CBC's total budget, an increase of 15 per cent, although this has not been enough to turn around a very serious deficit. Its

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dependence on advertising revenue calls into question the role of the CBC as public broadcaster.

Furthermore, the 1993 budget inflicted cuts totalling \$100 million, effective in 1996. The CBC has already told us that if its financial situation is not turned around, it will have to proceed with further cuts in operations.

However, the problems of the CBC are not only due to budget cutbacks, a structural deficit and the impact of the recession on advertising revenue. The Canadian broadcasting industry has changed considerably in recent years. New and specialized services obtained operating licences in the eighties.

Canadians now enjoy a wider range of programming and services than ever before. Although these changes are significant, they are only a preview of what we can expect in the broadcasting industry. In radio and television, technological progress will generate even greater diversity. It is expected that this diversity will lead to increased competition, fragmented audiences and major investments in technology, and will increase the cost of Canadian programming.

In television, the advent of direct satellite broadcasting and the ability of cable companies to increase the number of channels they offer mean that 200 or even 500 channels will be available before the end of the century. New American direct satellite broadcasting services will be extended to Canada in the next few months. Cable companies will add a number of new services, including a number of specialized services which the CRTC is expected to authorize this year.

This new competition will further fragment the audiences and advertising revenue of Canadian broadcasters, including the CBC.

(1630)

Radio is also facing a number of changes. A few years from now, we will probably be seeing new radio services and digital technology adopted by existing services.

[*English*]

Our government has an historical tradition of supporting CBC, of supporting Canadian culture.

Our electoral platform was clearly outlined in the red book. In that document we stated that culture is the very essence of our national identity, the bedrock of national sovereignty and national pride.

At a time when globalization and information and communications revolution is erasing national borders Canada needs more than ever to commit itself to cultural development.

There is no single instrument more important to the development of our national cultural identity than the CBC. This belief was the basis for our electoral pledge to provide the corporation with stable, multi-year financing. It is a key element in our plan

to strengthen the CBC's ability to adapt to the new communications universe.

On February 3 of this year the Prime Minister announced the appointment of Mr. Anthony Manera as president of the CBC. Mr. Manera has enjoyed a distinguished career both within and outside the CBC. His commitment to the ideals of public broadcasting and his understanding of the corporation are deep indeed. The government is confident that under the capable leadership of Mr. Manera and the direction of the board of directors the corporation will meet its many challenges.

The government recognizes the enormity of the task before the CBC. In asking itself how the CBC can continue to reflect our fundamental values that project an image of Canada in which all Canadians recognize themselves the government understands that it must provide some measures of assistance to the corporation.

As a first step the government has committed not to impose new reductions on the CBC over the next five years subject to annual parliamentary approval of appropriations.

In addition, the government agreed to reprofile the cuts announced by the last government in order to ease their integration by the CBC. This measure comes in cost of \$100 million in foregone savings to the consolidated revenue fund. It is a sure sign of this government's commitment to the CBC that this decision was made in the context of severe financial constraints.

These measures, the appointment of a strong new president, our agreement not to impose new reductions on the CBC and the reprofiling of previous cuts will give the corporation both the leadership and the clear picture of its financial future for the next five years it needs to plan for the longer term with confidence.

The next step in our campaign to help the CBC has been our agreement to grant the corporation's longstanding request for a borrowing authority. This measure will permit the CBC to become more efficient in its operations and allow it to enter into other ventures acceptable to the government that provide a return on investment.

The proposed legislative amendment to the Broadcasting Act would authorize the CBC to borrow from the consolidated revenue fund and from Canadian banking institutions through lines of credit, commercial loans and issuing bonds or commercial paper.

These borrowed funds would be used only to generate operating savings or for venture investments. The operating savings would accrue from investments in small and medium capital equipment and projects which have a payback of four years or less.

At the present time the corporation is unable to take advantage of such opportunities due to its shortage of capital

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resources and the immediate need of addressing physical obsolescence in plants and equipment across the country.

Although the CBC can currently request an advance from the government this can be obtained only in exceptional circumstances.

The present situation is inadequate for two reasons. Requests must be evaluated in competition with other government priorities and the outcome of a request is directly dependent on the availability of operational reserves.

An obvious example of how this initiative could generate operational savings would be the purchase of capital equipment to replace leased equipment.

The operational savings would first serve to repay the capital investment over a period of three to four years and then further be applied against the corporation's operational shortfall. The authority to borrow would also facilitate the corporation's undertaking of large scale initiatives that further the achievement of the CBC's mandate and yield significant returns for a relatively small investment.

(1635)

A good example of an initiative of this magnitude is the recent arrangement reached by the CBC to establish its owned and operated station in New Brunswick. If the CBC had taken out a loan of \$9.5 million for the purchase of the station, the advertising revenues from this new station would have allowed the CBC to repay the loan over a shorter timeframe than the life of the current agreement. The ability to borrow would have improved the CBC's financial position over the term of the agreement by over \$3 million.

At this juncture I would like to assure the House that under no circumstances would the CBC be permitted to use these borrowed funds to address an operational shortfall and thereby operate on deficit financing. The CBC would be responsible for raising all the borrowed funds and ensuring that all procedures are followed in full compliance with the guidelines for market borrowings by crown corporations issued by the Department of Finance. The cash flows from the projects in question would remain with the CBC with their first priority being to service the debt.

The CBC's borrowing ceiling would be \$25 million. A memorandum of understanding between the CBC and the Department of Finance would set out the terms and conditions governing the borrowing authority. Foremost among these conditions is that the CBC would require the approval of the Minister of Finance for each case in which borrowed funds were required.

In my opinion granting this long standing request for the borrowing authority is an important initiative in fostering the business like flexibility that is required for a \$1 billion corporation with commercial objectives like the CBC.

No other corporation operating such a large enterprise would wish to operate without at least some such ability to borrow for viable investment opportunities.

[*Translation*]

The government and the CBC have taken a joint approach to resolving the corporation's problems. In addition to these measures, the minister has resolved to consult with his Cabinet colleagues, with other broadcasting industry stakeholders and with the corporation itself with a view to finding other ways of generating revenues in the public broadcasting field which would reduce the CBC's dependence on advertising revenues.

For its part, the CBC is expected to eliminate structural deficits and to absorb inflation costs as well as operating costs.

Mindful of the unique and highly enviable reputation enjoyed by the CBC's radio broadcasting services as well as the vital role that regional services play in helping the corporation serve the regions and introduce them to audiences nationwide, we have asked that current radio services and a regional presence be maintained.

The challenge is formidable. The move to grant the CBC limited borrowing authority will be one important component of the new strategy which the corporation will need to embrace if it is to meet the challenge.

Clearly, what we want is a renewed CBC.

Canada needs an effective public broadcaster as a front-line weapon in the battle to defend our cultural sovereignty against the influences of globalization.

To wage this battle effectively, the CBC must do the following: it must be the perfect reflection of regional perspectives across the network; it must help English-speaking Canadians and French-speaking Canadians gain a better understanding of the other group's culture by exposing them to programs produced by the other group; it must contribute to the common understanding of the multicultural or multiracial makeup of our population; it must adopt the strictest standards of journalistic responsibility; finally, it must co-operate with the rest of the broadcasting industry in an effort to come up with new markets for Canadian programs and sound recordings.

(1640)

If we really want the CBC to be the typically Canadian voice that will shape our national identity in a multichannel environment, we must give it the necessary tools with which to confidently plan its future.

I call upon my hon. colleagues in the House to support the passage of Bill C-17 which, among other very commendable things, will amend the Broadcasting Act so as to grant the CBC limited borrowing authority. Recourse to this mechanism under the stringently controlled circumstances described above will

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give the CBC considerable commercial flexibility. In turn, this flexibility will result in operating savings in the long run.

[*English*]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I wish to congratulate the member opposite for her spirited defence of mother corporation.

I think most Canadians grew up with CBC and view it as an integral part of our lives. However, I have a problem with CBC particularly over the last few years. I also have a problem with CBC as a purchaser of advertising from CBC, but that is another story.

I wonder if the member opposite would comment on this question and I will phrase it this way. The CBC is neither fish nor fowl. It tries to be a private broadcaster but it is a public broadcaster. It tries to be a public broadcaster and it is caught up in being a private broadcaster.

I wonder if the member opposite has given any thought to the CBC's paring itself down to a more affordable operation or a model, striving for excellence using the BBC as a model, BBC-1 or BBC-2, running a commercial free network but not in competition with the private broadcasting networks.

Ms. Guarnieri: Mr. Speaker, the Reformer is on record as wanting to privatize part or all of CBC. I thank the hon. member for his question.

As some make this recommendation they also claim that Canadians would be better served by the privatization of CBC. All they would succeed in doing by imprudent budget cuts is waste much of the money that remains spent on the CBC because it will not be commercially viable and its product would deteriorate to irrelevance.

Closing the CBC or severely cutting funding would be to dam the last river of Canadian culture and leave it in effect as a stagnant pool. Certainly if the hon. member has suggestions to make he may wish to make representation before the CRTC.

The hon. member also said that all Canadians recognize the importance of CBC as a refuge from the mainstream of American sitcoms and documentaries about the civil war or the FBI. As the principal carrier of Canadian content, the CBC does prevent Canadians from being completely culturally disenfranchised.

Regrettably, though, the CBC must continue to suffer the slings and arrows of Reform MPs who were advocating its demise, unfortunately with a very narrow view of what constitutes Canadian culture.

(1645)

Mr. McClelland: Mr. Speaker, I do not think the hon. member opposite heard what I said when I asked the question. My point was this. Would the CBC not better serve the people of Canada if it were to become a true public broadcaster rather than trying to be a private broadcaster and a public broadcaster? It may necessitate scaling down so that it could go into a commercial free broadcasting mode similar to the BBC. The BBC is world recognized for the quality of its programming.

The point that I would ask the hon. member to consider is that perhaps Access TV for instance in Alberta may be shut down. Why could the programming on Access or TVO not all be put into CBC and CBC become truly a public broadcaster?

Ms. Guarnieri: Mr. Speaker, perhaps the hon. member would like to elaborate, when he says that there should be substantial cuts, where these cuts should be made.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I have been sort of struggling with a comment made by the chairman of the CBC on a panel show I watched a few weeks ago.

He made a statement which I believe was just incredible. He said that the CBC should not concern itself with economic viability but rather with delivering a Canadian culture to the Canadian people.

While that may be barely acceptable in traditional economic good times, I hardly think that this is a traditional economic atmosphere that we are enjoying right now. It may be tradition given the history over the last 15 years. It is all very nice to have an outlet or a means of conveying Canadian culture but when the government is borrowing well over \$100 million a day to stay in business, I would ask the minister whether she thinks this is the time to separate our wants from our needs. To have this expensive albatross around our necks at this time is sort of like going downtown to buy a new television set when one does not have any food in the cupboard.

What does the government have in mind in trying to get the CBC on an economically viable basis rather than just a black hole in which to throw money?

Ms. Guarnieri: Mr. Speaker, I thank the hon. member for the instant promotion but I am a mere parliamentary secretary and not a minister. Thank you anyway.

The hon. member makes the point that there should be more food in the cupboard but to many people culture is a form of food and sustenance. It is the unifying link that binds this country together. The measure that the government has proposed and put on the table before members is very responsible. It is done with a view to ensuring that we are fiscally responsible. The money that we are proposing is money well spent.

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[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, on Friday, March 25, my colleague, the hon. member for Mercier, addressed this House on Bill C-17. She asked members to adopt the following amendment: "That this House refuse to proceed with the second reading of Bill C-17, an Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994; 1) given that the amendments to the Unemployment Insurance Act do not reduce the inequities between have and have-not regions in the country and contain no specific measures to reduce youth unemployment; 2) given that the amendments to the Unemployment Insurance Act do not cancel the increase in premiums paid by workers and employers in effect since January 1, 1994."

(1650)

Today is the period allocated to ask the House to adopt this amendment. The reasons that led my colleague to present her amendment are increasingly relevant, and the population, particularly in Eastern Canada, clearly supports our demands. It is unacceptable to ask Atlantic and Quebec recipients to become scapegoats so that the current government can satisfy its appetite for rationalization in unemployment insurance as impartially as it does in this bill.

As my colleague from Mercier clearly stated in this House, we cannot ask Atlantic Canadians, who account for 8.5 per cent of the Canadian population, to accept cuts of 26 per cent of the unemployment insurance budget. We have the same problem in Quebec, where 25 per cent of the Canadian population will be hit by cuts of 31 per cent.

Quebec has known for a long time that the Liberal Party of Canada was going to impose such economic losses on Quebec if it came to power. It knew that the Liberal government would present bills allowing it to save \$5.5 billion over three years and that the bill would be split inequitably among the provinces. In the proposals contained in Bill C-17, Quebec and the Maritimes end up with a large portion of the bill while western Canada and Ontario are much less affected.

Quebec knew that one of the first measures taken by the Liberal government would be to approve an increase of 7 cents in unemployment insurance premium rates, which it did on January 1, 1994, nine weeks after being elected. Quebec knew that this increase would eliminate 9,000 jobs. And to look good, this same government proposes to re-create these same 9,000 jobs in 1995 and 1996 by bringing premiums down to their 1993 levels.

The government gives with one hand what it took with the other and expects to be taken seriously. Quebecers were not fooled. They elected 54 members of the Bloc Québécois to defend their interests, and that is what we intend to do here until Quebec becomes a separate country, and we demand that the

redistribution of wealth, whether through unemployment insurance or any other social benefit, be fair until Quebecers hold all the levers of economic control and are masters in their own country, Quebec.

If Bill C-17 extends for two years the freeze on compensation for federally appointed judges, Parliamentary agents, the Governor General, the Lieutenant Governors and parliamentarians, fine, but it is not all right if it raises the premiums of workers whose buying power is already lower and the premiums of companies that already have trouble competing in a world of global markets; that is unacceptable.

However, the Minister of Finance had the opportunity on February 22 to present a budget for a fair redistribution of wealth by taxing the richest individuals and sparing the poorest. That is not what the Minister of Finance did. He presented a budget in which he projected a deficit of \$39.7 billion for 1994-95, when the total debt has already exceeded \$500 billion.

On March 7, I asked this House to fight the deficit and waste. I suggested to this House some ways to create permanent jobs and to improve Canada's finances. Today I would like to add some ways to reduce the deficit, improve our economy and make our people more secure, while redistributing our wealth fairly and equitably.

(1655)

Let us look at water transportation. In his budget speech, the finance minister mentions the upgrading of ground transportation but fails to specify how it will be done.

Well before the advent of rail and air transportation or trucking, waterways were used by the early settlers. Canada goes from sea to sea and holds the largest bodies of fresh water in the world. A majestic river flows through it. Canadian harbours played a critical role in the development of Canada and Quebec. However, in recent years, the majority of ports have been experiencing serious problems.

And yet, waterways provide the most economical and the least polluting means of transportation. Our merchant marine has been all but abandoned and our shipyards are facing great difficulties, especially in Quebec. It is not a question of building ships just for the sake of it; indeed, we can and must build ships to lower transportation costs and preserve the environment we live in.

The development of Quebec City's harbour and most ports along the St. Lawrence Seaway is based mainly on grain transportation. Whereas western ports see their share of grain shipments increased, St. Lawrence Seaway harbours are nearly at a standstill. The problem is compounded by a drop in Russia's grain purchases due to an excellent wheat crop in that country. What are we to do in such a situation? We must find another vocation for our majestic river and our fresh water bodies. For example, cruises are an ever-expanding sector both in the

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United States and in Canada. Some 7,500 people went on cruises ending in Quebec City this year compared to 4,300 last year. Is this not an exciting new niche for a country like ours? We could at the same time develop our merchant marine and give work to our shipyards such as MIL Davie, in Lauzon, which are world-renowned in their field.

I am making these constructive suggestions to the House because they were ignored in the budget speech.

Let us now look at duplication. Is it not time that agencies, departments and other government bodies be carefully reviewed to determine if they really offer an essential service? Is it not time for the various government levels to communicate with each other and put an end to duplication? Our party has been bringing tax shelters to the attention of this government for some time now, but they did not have the courage to abolish the real tax shelters of the rich, family trusts, for example. They prefer to postpone such decisions and let a committee study the question. However, the government did not ask a committee to examine the question when it decided to cut the tax credit for those 65 and over. They certainly know how to make decisions when attacking the have-nots! They knew very well how to go about it when they decided to cut UI benefits through bill C-17.

Canadians need reassurance. A country's economy grows out of its resources and Canada's most important resource is its population. Even though we make use of our human resources we are not making the most out of them, mainly because they are insecure. Our population feels insecure in areas like education, unemployment, health services, social housing, violence against women, the uncertainty of our future, legislation and governmental programs; it feels insecure about the leaders of this country. People worry when they see UI benefits shrink from year to year.

(1700)

What will happen to this program in ten years? Will it be gone? Canadians are concerned when they hear about user fees in the health sector. Will they be able to get medical attention when they need it? Canadians are worried when they see that the budgets allocated to education and health care are being reduced all the time. They are concerned about the future. Will there still be work tomorrow, in spite of the promises made by some federal and provincial Liberal politicians?

Finally, Mr. Speaker, Canadians are worried because of their leaders' lack of concern for current problems. Let me give you two specific examples. Some 30 farmers in my riding incurred substantial losses in the production of potato chips. A request for financial help was made to the previous government. The request was rejected. Yet, some farmers from the Atlantic provinces who suffered similar losses were compensated. The

farmers and their MPs made a request to the government in office. After two months, the government acknowledged receipt of their request, but took no concrete action.

Another group of individuals in my riding who are disillusioned with our leaders are those who were affected by the urea-formaldehyde foam insulation scandal. This tragedy occurred under the former Liberal government, of which some prominent members are still here. Let us not forget that the current Minister of Foreign Affairs was one of the key players in this episode.

Once again, I transmitted a request to the government in office asking it to take its responsibilities, instead of delegating them to the judicial process. The government acknowledged receipt of the request but did nothing else.

Throughout the debates in this House, we will have to keep in mind that all regions of Canada and all classes of citizens have to be treated equally. Is it right that, in Canada, 63,000 profitable companies do not pay taxes? Is it right that, in Canada, some millionaires manage to only pay a few hundred dollars in taxes every year? Is it right that, in Canada, powerful families can avoid paying taxes on billions of dollars through family trusts?

Middle-class workers know that the first penny they earn is taxed and that the government takes half of it.

In conclusion, if we want to balance our profits and expenditures, if we want to absorb our deficit, if we want our economy to resume its former role at the international level, if we want our wealth to be redistributed fairly, we have to restore confidence among Canadians. We have to meet their expectations and we have to answer their questions. We have to give back to Canadians the place that should always have been theirs: in other words, we have to realize that they are the number one resource in our economy.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I would like to ask two questions. When we came into office, we were faced, and everybody agrees on that, with a deficit of about \$45 billion and an accumulated debt of about \$500 billion. My colleague said that there were a number of things he would have done, supposedly, if he had been in power to try to control the deficit and the debt.

He forgot to tell us how much he would have saved on each of his initiatives. Moreover, he said—and he will correct me if I am wrong—that he would have spent more. He said three things: Here is what I would have done, but without telling us how much he would have saved; here is what I would not have done, although some cuts have saved money and he did not say what would have replaced them. And finally, he said: Here is what I would have spent over and above what is already being spent.

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If I am not mistaken, there was a deficit of \$45 billion and a debt of \$550 billion, and I believe he would make things worse. If I misunderstood, I am waiting to be corrected.

(1705)

The second thing he mentioned that I object to are user fees. I never heard anyone on this side of the House mention such a thing. Why scare people? Why does he pretend that we are studying the matter? In fact, the Minister of Health has said repeatedly "no user fees", so why does he make such a comment? Does he not feel that it is unjust, cruel, maybe a bit dishonest?

Mr. Guimond: Mr. Speaker, listening to the hon. member for St. Boniface, I am pleased to learn that we are allowed to accuse one another of making dishonest comments. I wonder if the hon. member heard the first part of my speech. I think he may have come in partway through. I will nonetheless answer his two belated questions.

First, what we blame the present Liberal government for is that in its February 22 budget it came up with nothing more than a national infrastructure program which will cost \$2 billion in federal taxes, \$2 billion in provincial taxes and \$2 billion in municipal taxes, after running its campaign on a platform of jobs, jobs, jobs. This program will create 45,000 jobs per year, but just temporary ones. When Metropolitan Boulevard in Montreal and Saint-Jean Street in Quebec City have been upgraded, and the sidewalks redone, what other structural projects will there be to create permanent employment?

We, in the Bloc Québécois, have suggested innovative job creation projects. A project like the high speed train would create 120,000 work-years of employment for the duration of the construction phase as well as 40,000 permanent jobs to operate the Quebec-Windsor corridor. It would also be possible to export Bombardier technology under North American licence for use in ten upcoming HST projects. Two hundred billion in investments over the next 12 years, that is what infrastructure programs, programs that create permanent jobs and high-tech jobs are about. That is my position with regard to the national debt and the deficit.

I will also remind the hon. member for St. Boniface that, had Quebec said yes in the 1980 referendum, the accumulated federal deficit was \$75 billion at the time, compared to over \$500 billion today. At this rate, what we are going to tell the people of Quebec next time around is that we can no longer afford to remain part of this country; we must get out because it is headed for a \$600-billion or \$700-billion deficit. That will be one of the arguments in the next referendum campaign.

As for deterrent fees, it is true that, since January 17, I have never heard the Minister of Health, or anyone else for that matter, say there would be any. I must admit that is true. Yet,

with regard to the provinces' finances, the danger is that all of them end up facing cash flow difficulties and that the have-not provinces can no longer afford providing health care services because of cuts in federal transfer payments.

In Quebec, we are facing a real danger of finding ourselves back, like in the 1950s, with two types of medical practices: one for the rich and another one for the poor. With sickness striking without distinction of social status, race, language, and so on, there is a danger that the only way some Quebecers will be able to afford treatment will be to mortgage their home and belongings or to sell everything. That is the danger. It is true that the federal government never talked about imposing deterrent fees, but it does put the provinces in a situation where they could well experience cash flow and public finance problems that may divide people into two classes for health care.

[English]

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I listened to the comments of the hon. member of the Bloc. He talked about ways to create permanent jobs.

(1710)

I have a question for him. He mentioned three particular projects: the TGV high speed rail line, the Quebec to Windsor corridor and the exporting of Bombardier technology to different parts of the world.

As I am sure most economists and the Bloc will acknowledge, real permanent jobs must come from the private sector. Although the current government disagrees with the Reform position on how to create real jobs and pushes ahead with credit card infrastructure programs to create temporary jobs, does the Bloc agree that the source of real permanent jobs is from the private sector? If so, is the hon. member talking about total private sector investment in the three particular megaprojects he has suggested? Or, is this another request for more government subsidies and more government money to be poured into the province of Quebec?

I find absolutely incredible that day after day we come to the House and hear the Bloc party talking about wanting to leave our country, wanting to separate. Yet day after day the Bloc sits in the House and continually asks for more money. Indeed this is a contrast in thought.

I want to ask the hon. member about these three projects. Is he simply looking for more government money to be poured into Quebec? I noticed this morning the Liberal government authorized some \$575,000 going to the Montreal Symphony Orchestra and the Quebec Ballet going on a European tour. Earlier I talked about not having any food in the cupboard and buying a television set. This is just another case of money going into the province of Quebec that we just do not have.

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Would the hon. member advise me whether he is talking about total private sector investment in the three projects, or is he simply looking for another handout?

[*Translation*]

Mr. Guimond: Mr. Speaker, if the hon. member for the Reform Party sees a contradiction between statements by members of the Bloc and what we receive from the federal government, I want to make it clear that every year, Quebecers pay \$28 billion in taxes to Ottawa. I hope that when the federal government invests in Quebec, no one here thinks the government is doing us a favour. It is our money, because we pay \$28 billion in taxes.

As long as we are part of this system, and until such time as Quebecers say they really want to form a country, and in any event, Reform Party members who keep presenting petitions against official languages in Canada won't have a problem any more with what happens in Quebec. Quebec will be a French nation. You won't have to present any more petitions to complain about federal investment in Quebec, because Quebec will manage its own taxes, both federal taxes and provincial taxes.

So there is no contradiction involved in claiming our due while we are part of this system. The federal government is not doing us a favour.

Regarding investments in a high-speed train service, a task force including representatives from the Government of Ontario and the Government of Quebec and chaired by the hon. Rémi Bujold, former M.P. for Bonaventure—Îles-de-la-Madeleine, has shown that a Quebec—Windsor high-speed train could be 70 per cent financed by the private sector, while the government could inject 30 per cent, which would represent investments totalling about \$2.3 billion. The revenue generated by 120,000 person-years of work during construction and 40,000 person-years when a high-speed train is in operation would total \$1.8 billion, which means that the difference between \$2.3 billion and what the federal government would contribute with \$1.8 billion in tax revenues would be \$500 million.

We voted in favour of a project worth several billion dollars to build a fixed link between Prince Edward Island and New Brunswick, because we felt it was a good project. We are convinced that if this proposal is debated in this House, a project that would create jobs, export technology, and nevertheless have a limited impact on the public purse, with 70 per cent participation by the private sector, it would be a very attractive proposition for Canada and Quebec.

(1715)

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to begin my remarks by—

[*Translation*]

The Deputy Speaker: I apologize for interrupting the hon. member but, before I give him the floor, it is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of the adjournment is as follows: the hon. member for Laurier—Sainte-Marie—Average income of Francophones.

My apologies to the hon. member for Broadview—Greenwood. Resuming debate.

[*English*]

Mr. Mills: Mr. Speaker, I would like to begin my remarks by continuing on the theme that the member for the Reform Party discussed. It had to do with the contradiction of the Bloc Québécois coming into the House and constantly talking about separation, yet at the same time asking for more support for megaprojects.

I have absolutely no problem with the members from Quebec fighting for their constituents, for their community and for projects that will help revitalize the city of Montreal and the province of Quebec. If we can get the economies of Montreal and Toronto going again it will go a long way in affecting all parts of the country.

What bothers me is the fact that the members from the Bloc never talk about the announcement that the Minister of Finance made on January 21 when he stated the terms of the five year equalization renewal, the equalization entitlement. As you know, Mr. Speaker, because of our Constitution we have an equalization formula. It is a complex formula where the provinces of British Columbia, Alberta and Ontario, which are the wealthier provinces, are contributing to those provinces in our Confederation that do not have the same resources.

On January 21 the Minister of Finance announced a \$70 billion package for the province of Quebec. Over the next five years there will be a transfer of funds that will go to the province of Quebec, unfettered, no strings attached. I have yet to hear a member of the Bloc acknowledge that the \$70 billion transfer under the equalization entitlement to the people of Quebec is a good thing. They seem to pretend it is not happening, that it does not go on.

I am not begrudging this transfer in any way. It is part of our contract to keep Confederation together. But when they stand in the House and talk about some of the difficulties we are having collectively in trying to get our economy going again, I wish in fairness that they would acknowledge the fact that for the last five years on equalization the province of Quebec received \$50.2 billion and for the next five years it will receive an additional \$70 billion.

The people in my community in Toronto cannot figure out transferring \$130 billion to a community that is talking about separation. I am waiting for the day when the Bloc members start speaking publicly about the equalization entitlements and

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the amounts that the people of Quebec will be receiving over the next five years.

(1720)

They should not confuse their constituents by saying, as the member of the Bloc stated earlier, that they pay so much in income taxes to the federal treasury. I think the member said \$28 billion or something and that they should have all of that back. They get all of that back and more under equalization.

Therefore, do not link the income tax being paid to the equalization entitlement. They are two separate issues. The equalization transfer is over and above all the other programs, services and fundings that are transferred to the province of Quebec.

I want to say, as someone from downtown Toronto, that to spend \$100 billion over the next five years to keep Quebec feeling that it is part of Confederation, I personally would have absolutely no problem.

It was a very rough week for us in Toronto. We thought we were going to receive the centre for NAFTA for the environmental studies. We did not receive it but that is the game. You win some and you lose some. I guess my point is that I wish the members of the Bloc would show some of appreciation, not just to their constituents but to the people of Canada.

I realize that is just a little bit off topic from the budget amendment that we are discussing today but I thought it was relevant to the debate.

The part of the bill I would like to speak specifically to has to do with part IV, the borrowing authority of C-17. This is the section in the bill where—and I can see my friends in the Reform Party getting twitchy already—through the approval of the Minister of Finance, we are authorizing the Canadian Broadcasting Corporation, Radio-Canada, to a further borrowing power of \$25 million.

I know that the members of the Reform Party have great difficulty with how we, when we are in such difficult times, could authorize for the CBC a further indebtedness or a further support of \$25 million. I want to say to members on the other side that this is the right thing to do.

Mr. Harris: Say that with a straight face.

Mr. Mills (Broadview—Greenwood): I do say it with a straight face. As I was saying to one of our colleagues this morning, the CBC is really not like any other business in the country.

I do not know why I am defending the CBC because it has never been particularly good to me or for that matter to any other politician. It is one of those rare situations where we are

defending an organization that is constantly attacking us. That is what makes this country so interesting.

Mr. Speaker, you signalled that I have only a couple of minutes. As we head into this very sensitive period where once again we will all be required to make sure that in the interest of national unity we bring our best foot forward, I really feel that it is important that the Canadian Broadcasting Corporation, Radio-Canada—radio, television, Newsworld—have a solid footing and a solid organization. This is an institution, as I am sure most people in Canada would agree, that is probably the best binding agent we have in a communications instrument.

We hear from musicians in every region who might otherwise not get the opportunity to be heard on a national basis. As I mentioned earlier today in debate it is a high quality organization for communication and production. It is also a tremendous training ground.

(1725)

This is one area where, when we analyse the balance sheet of the CBC, we have not given it proper credit. This has been an area where it has trained people who ultimately have gone on to produce on other TV networks and in the motion picture industry. They are high quality technicians. Many of them now are creating product that we are exporting around the world. It is giving us not only a presence in North America but a Canadian presence all over the world. For that reason I would urge all members to support this bill.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I really appreciated hearing the comments of the hon. member across the floor, especially when he talks about the have provinces of Canada and telling everyone here today that Alberta is one of those.

It is wonderful to come from a have province. But we are going through one of the most painful periods in our history right now as we have a deficit reduction program that affects every man, woman and child in Alberta.

I am very concerned about the fact that feel good money is going to a province such as Quebec. There is no vision within that province that includes all of Canada. It is very well defined within their own borders for them.

It was interesting for the hon. member to have drawn an analogy between this feel good money that will be going to Quebec at all costs just to keep them and embrace them. I would love it if they could make the choice for themselves to stay in this wonderful country of ours.

I am totally opposed to that \$25 million support for the CBC. I would like the hon. member to explain to me how he can in all good faith support the spending authority when there is basically no plan attached to it. It is just a carte blanche gift of spending. I really would like him to comment on that.

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Mr. Mills (Broadview—Greenwood): Mr. Speaker, I would like to begin my remarks by saying to the member that in no way do I consider the equalization money being transferred as feel good money.

I do not believe that the Bloc Quebecois are the only people who speak for the province of Quebec. We have a provincial Liberal government right now in Quebec. The money, I believe and hope, goes into responsible publicly accounted for projects, such as retraining, education, et cetera. Please, let us not call this money feel good.

I want to say to the hon. member who comes from the province of Alberta that I realize her province is going through deep pain. So is my city and my province. However having said all of that, Quebec and some of our Atlantic provinces are even much worse off than the member's province and my province. That is something we have to realize.

As far as the \$25 million for the CBC goes, and I do not think it is receiving this money and just going out and buying frivolous things, this money goes through a very rigorous process and goes into Canadian content and new production. The hon. member talked this morning about the CBC getting more revenue.

One of the reasons why the CBC is short on revenue is that it is competing with the CTVs of the world that have much more American content. The content in terms of Canadian budget and Canadian productions is not anywhere near the budgets of programming on other networks, CTV, which basically rents its finished product from abroad. The money will be going to enhance the production of CBC programming which hopefully will raise its quality and which will ultimately make it as productive as other networks.

(1730)

I think the member has to realize and have the good faith that the new administration of the CBC, not putting down the previous one, has assured the CRTC and members of this House that, as all of us in this country are undergoing restructuring and renewal, it does not feel that it is exempt. It is going to do its best to make sure that this money is used efficiently.

Mr. Paul Zed (Fundy—Royal): Mr. Speaker, through the course of today's debate much has been said about specific elements of this budget. I would like to take a few moments to put our discussion into context by reminding hon. members that the broad direction of the budget is one that has been described by the president of the Canadian Chamber of Commerce as headed in the right direction and very specific about how to get there.

This budget addresses three vital challenges. The first is to build a framework for economic renewal. The second is to restore fiscal responsibility and the third, to ensure long term viability of our social programs.

The budget takes a balanced approach to these goals because they are the foundations for what Canada needs most, growth and jobs. This budget is the first stage in a two stage process. The direct actions taken today will be followed by extensive policy reviews leading to further action in the future.

The government has taken concrete action to meet the urgent need of creating jobs and revitalizing our economy. Canada as we all know has just passed through a difficult recession. That is why we are taking immediate action to restore consumer confidence and spur growth, action such as our national infrastructure program.

Currently in New Brunswick as in other provinces we are determining the first projects to receive funding from the \$153 million to be spent in our province over the next three years. This government has also announced strategic measures to help Canada compete and prosper in the new economy. This budget, for example, takes action to assist small and medium sized businesses, the driving force behind job creation in our fast evolving economy. Measures including reduction of regulatory and payroll tax burdens as well as improved access to capital and new technology are essential for continued growth and job creation in the new economy.

In keeping with the vision of this budget the standing committee on industry has begun a study on the access by small and medium sized business to new and traditional sources of financing. In the past weeks this committee in keeping with the government's pledge to consult with Canadians has heard testimony from small and medium sized business owners from across the country.

I am pleased to note that a number of Atlantic Canadian business people have come forward to give excellent testimony on this very important subject. Small business people know how hard it is to get a modest loan and this committee wants to see how the government can help.

The budget takes decisive action to bring the deficit down now and set the country on a realistic path toward a responsible target of 3 per cent of the GDP in three years, a target that no Canadian government has reached for 20 years. We will accomplish this mainly from expenditure reductions. In this area this government is leading by example.

Bill C-17, for example, freezes the salaries of members of Parliament. Over the next three years net savings from all spending cuts will reach \$17 billion. This represents the most extensive program of net spending reduction of any budget in more than a decade.

(1735)

We still have work to do. Even with last week's encouraging news of the largest monthly decline in the unemployment rate in 10 years, we still have too many Canadians out of work. We have an economy where one in six children lives in poverty and where social programs that were once the envy of the world no longer

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meet our different needs and have outrun our ability to pay for them.

This budget sets the stage for a historic modernization and restructuring of Canada's social safety net over the next two years. The goal of this reform is to provide modern and sustainable programs that respond to contemporary needs like skills training and incentives to work.

The budget takes a critical first step toward this broad goal by initiating concrete action in two major expenditure areas: unemployment insurance and federal transfer payments to provinces in support of social programs.

Rising unemployment insurance premiums for business are a major obstacle to job creation. The changes to UI announced in the budget will lower premiums and provide the creation of more jobs. As the president of the Canadian Federation of Independent Business said: "It is a huge incentive for small business to create business".

In the recent past federal action toward the provinces appeared to be based on a strategy of sneak attacks, confrontation and denunciation. This led to federal-provincial relations increasingly charged with tension. This budget rejects this approach. Instead it provides for predictability and modest growth in equalization transfers during the timeframe for social program reform.

Throughout the course of the reform process the federal government will work with all of the provinces to redesign our social programs. We will co-operate in studying reforms and testing new approaches with extensive consultations with the public to receive their input along the way.

In the province of New Brunswick we recently announced co-operation agreements between the federal and provincial ministers to find new ways for making a better Canada: a youth jobs strategy program at CFB Gagetown to allow young people between the ages of 17 and 24 to receive skills training in different trades; the New Brunswick job corps program which provides a guaranteed income for participants in return for volunteer services. This program is targeted at individuals over the age of 50.

As the finance minister for Newfoundland said recently, all of us and every province in this country have to be part of the solution to the Canadian problem.

The spirit of federal-provincial co-operation I have described extends beyond the budget measures relating to social security transfers. Despite the co-operative and constructive approach this budget takes toward the provinces, some hon. members have expressed concern about the regional impact of specific measures. As a member of Parliament from Atlantic Canada, I believe I can bring an important and constructive perspective to this critical issue. I say this because we in

Atlantic Canada realize the scope of the national problem and we know that to correct it, tough decisions have to be made.

We know we must look forward to the new opportunities provided for in this budget, opportunities like the infrastructure program and our experimental job corps, opportunities that get business working in the proper climate to create the jobs and economic security we need for the 21st century.

We in Atlantic Canada recognize the importance of taking control of our own destiny. We are spearheading the move to lower interprovincial trade barriers and have truly free trade Canada within Canada.

In concluding, I would say that this budget has been described as a road map to the future. It takes measurable, bottom line action to help build the future opportunity and solid growth. It does so with rigour but also with compassion and creativity. Therefore I urge all hon. members to support this bill.

(1740)

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I was disappointed I did not get to make some comments to the hon. member across the way. I know he was looking forward to that.

I just heard the hon. member for Fundy—Royal talking about the merits of the budget. There were a couple of things that sort of struck me which I have discussed with other members in these debates.

First of all I would like to say the statement made by the president of the Canadian Chamber of Commerce, as the member pointed out, rang about the same bell as that of the chairman of one of the major banks during the referendum debate when he said that in essence the world is going to end if the Charlottetown accord did not pass. Of course we saw that did not come about exactly.

The member is saying that this gentleman has said that the Liberal budget is on the right track. I wonder just exactly where that track leads to. There are a couple of inconsistencies. The member talks about all the different job creation programs that the budget is going to bring about. I wonder if the answer to the unemployment problem in Canada to the Liberal government is simply to put everyone who is unemployed on a government program.

I am sure those people would rather have real jobs. I go back to my earlier comments about where real jobs come from. They come from the private sector industry that has confidence in the fiscal responsibility of the government.

That is what this government has to show and it has to show it by cutting spending in real and positive terms. This has not happened.

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The actual spending has increased by \$3 billion this year. The member said they had made significant cuts in spending. That may be quite true but this is in proposed spending and projected spending not in real spending.

I can say I am going to spend \$50,000 next week on something and then cut it back to \$2,000. Can I take credit for saving \$48,000? This is the same type of accounting that the previous administration used and the Liberal government before that.

We have to start talking in real terms about what it is going to take to get this economy going again. It is not going to be credit card infrastructure programs. It is not going to be job creation programs for which there are no jobs once the people graduate from those programs or attain their apprenticeships.

It is going to come from private sector confidence and private investor confidence when they start investing in this country and expanding their business. That is where it is going to come from.

Mr. Zed: Mr. Speaker, I appreciate the hon. member's comments. In fact in as many days as I have spoken in this House the Reform Party has raised the issue of the infrastructure program. I would remind the hon. member that it is the infrastructure program that is in fact giving Canadians confidence. It is the package, if you will. That infrastructure program is what is spurring the confidence.

I agree with the hon. member that small and medium sized businesses create 80 per cent of the new jobs that are created in this economy. But if the government does nothing but cut without stimulating I would suggest to the hon. member that we are going to be mired in a deeper recession than the one we are getting out of.

It is a balance. That is what has impressed me the most about this Minister of Finance and about our government, that there has been a balanced realistic approach. The cuts represent \$17 billion.

I am one member who would have liked deeper cuts, faster cuts, but I have been convinced that this is a balanced approach and over the next three years we will be within 3 per cent of the GDP which I believe is responsible.

I would urge the hon. member, if he has some suggestion about what is wrong with our infrastructure program, to let us hear it. However I know a lot of people and a lot of municipalities are enjoying the benefits of the infrastructure program.

(1745)

[Translation]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I would simply like to make a comment about the programs which my colleague mentioned and that are presently considered in his province of New Brunswick.

I do not know if the hon. member has read *La Presse* this morning, because one headline says: "New Brunswick wants to force single mothers to identify the father of their child", and I have followed the experiments that are being done in this field, "Those who will refuse will lose access to welfare". Is that the kind of model we want to give Canada?

[English]

Mr. Zed: Mr. Speaker, that is not the program I am referring to. The one I am referring to is an opportunity for young people to be trained in a specific area: perhaps an environmental project, a silviculture program as the lifeblood of New Brunswick is the wood industry, or some community based program. A program was recently announced for people over 50 years of age who would only be making about \$8,000 on welfare. In this pilot program 1,000 individuals will be eligible to receive \$12,000.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, my comments in these short 10 minutes were to be on the omnibus bill, a bit about UI reform and, if there were time, on the wage freeze. However the eloquent, noble and spirited defence of members opposite of the mother corporation CBC drove me to buy a newspaper to find out what the oracle of Canadian culture had in store for us tonight.

For the edification of members opposite and for those in television land, they can want see "All in the Family" at seven o'clock, "Blossom" at 7.30, "Fresh Prince of Bel-Air" at eight o'clock or at 8.30 "Fresh Prince of Bel-Air, Part II". Is the oracle of Canadian culture worthy of the money we are going to be borrowing from our children to pay for it? Does it need more money? Should we give it \$25 million so that it can get capital?

Let me deal, folks, with the Canada assistance plan because it is fairly serious.

An hon. member: That is the Canada assistance plan.

Mr. McClelland: Yes, it is.

The Deputy Speaker: First, it would be very much appreciated if the member would put his remarks to the Chair. It is a long established tradition. Second, the member actually has a 20-minute slot.

Mr. McClelland: I could go on at more length about the mother corporation in that case.

In any event, this omnibus bill in support of the budget is of great importance to our nation. As other members have said, it sets the stage for what is likely to happen over the next few years.

Under the Canada assistance plan, as members know, the Government of Canada was to fund generally speaking 50 per cent of the money the provinces must spend in the welfare programs they administered. A few years ago this was changed. The Canada assistance plan payments by the federal government to the three provinces of Ontario, British Columbia and Alberta were capped. The net result was that these provinces were

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frozen into a situation whereby they were getting less money transferred from the federal government but were really having more demands put on their resources.

(1750)

The real problem is that we as a nation will go through the trials and tribulations of living within our means. This will inevitably mean cutbacks. Unless these cutbacks are done fairly across the nation and in all sectors of our economy tremendous resentment will be built up.

Let me give an example of what is likely to happen or what is happening with the capping of transfer payments. *Maclean's* magazine of April 4 speaks to the problems Ontario is going to face because of the Canada assistance plan being capped: "Through the Canada assistance plan Ottawa paid 50 per cent of the welfare costs of the seven poorer provinces but picked up only 29 per cent of Ontario's 1993-94 tab of \$6.3 billion. Quebec got 10 per cent more funds with 43 per cent fewer beneficiaries".

Let us think about that. If a Canadian is on welfare or in need of funds from the government and lives in Ottawa or anywhere else in Ontario, the federal government pays 29 cents of every dollar of those costs. However, if he or she lives across the river in Hull five minutes from here, the federal government pays 50 per cent of the cost. Is that fair? That might have been fair because of an extenuating circumstance that might last for a year or two, but let us remember that the budget locked in the inequity until 1998. What strains will that put on the budgets of Ontario, British Columbia and Alberta?

There is a solution. The federal government could increase the payments to the three have provinces or it could reduce the payments to the three have not provinces to bring them all into line so there is balance and equity.

A further example from *Maclean's* magazine indicated: "In 1992 Ontario employers and employees paid \$1.67 billion more into the unemployment insurance fund than they drew out in benefits. The province blames UI rules that allow workers in areas of higher unemployment to work for shorter periods for longer benefits".

Several members mentioned earlier that this was an appropriate means of transferring funds into very depressed areas of the country, that it recognized some parts of our nation were in worse shape than others. Unemployment insurance should be unemployment insurance. When unemployment insurance was brought into being it was not determined at that time that it was to be a wealth transfer. It was to cushion employees who lost their jobs for one reason or another until they found another one.

From that aspect the budget goes a long way in eliminating or at least ameliorating the problem. The government is to be commended for recognizing that unemployment insurance continually taxes those who are working. It really is a tax on jobs and is going to do more harm than good in the long run.

As well, if the words we hear from the task force looking at unemployment insurance are true, that unemployment insurance may in the future be determined as an insurance program paid by employees, it will be another big step to reforming unemployment insurance. It is just blowing the dust off the Forget commission report and implementing it 15 years or so after it was written.

What do we do in the areas of Canada that need the transfer of UI funds so that people can exist? We need to look at it as two separate entities. Unemployment insurance should be unemployment insurance, the purpose for which it was intended. Income supplements should come through some other government function but be accountable. If it ends up being a guaranteed annual income or whatever it might be, so be it, but let us not confuse the two issues so that we end up with nothing.

(1755)

I would like to give a personal example of how unemployment insurance as it is used today is a disincentive to employment and costs far more than it should. Without the permission of my son I will use him as an example. He is a very fine young man who quit his job just before he was going to get fired because he was not doing a very good job. It was a fairly well paid job. He thought he would not have any trouble going out and finding another one. It turned out that he was wrong. He had a great deal of trouble finding another one.

Every two weeks he got a cheque in the mail for over \$600. When the time came for me to say to him "Marry, go out and get a job", he would go out looking but none of the jobs would pay anything like the amount of money he was getting for doing nothing. Unemployment insurance was not tiding him over until he could get a new job. Unemployment insurance at that level was robbing him of the initiative to go out and get a job.

He grew up in a home where industry and initiative were the bywords and the watchwords. Let us just imagine what the richness of the program has done all across the nation to hundreds of thousands of people who are milking the system, who are using the system as it was never intended to be used.

The steps the government is taking with regard to UI are in the right direction. However it must be coupled with some other program to ensure that people on the bottom end of the totem pole are able to exist and move themselves out of poverty, recurring poverty.

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I would like to spend a few minutes talking about the wage freeze which is a good idea. It is a particularly good idea in the House because we are the leaders of our country. The people at the top of the heap in any circumstance, especially a difficult one, should be the first to take a hit. A wage freeze in the House is entirely appropriate. It is entirely appropriate in the upper echelons of the public service.

However we have to do more than just say we are going to freeze the wages. We have to look at how we could get the most efficiency out of the money we are spending. We can bet that people in any organization including the Public Service of Canada lay awake at night trying to figure out how they can get around whatever particular obstacles are in their path and make a few more bucks.

If we were to look at it we would see that the only people who are really suffering a wage freeze are the people who are on the bottom rung of the ladder in the public service because they cannot reclassify their jobs.

For example, right here on Parliament Hill employees of the lowest order of employment had to restructure their employment base, come in on weekends and change things around so that they could no longer make overtime because there was no more overtime. They cannot come in and work on a weekend and get paid overtime. Yet other people in the hierarchy here have reclassified their jobs so that they can then get an increase by reclassification.

(1800)

Another example that was brought to my attention during the recess was in the weather stations across the nation. A person from the public service brought to my attention the fact that we have replaced weather recorders who used to be paid in the region of \$30,000 with a machine that costs about \$250,000.

These machines have a life of about five years and require one person to maintain them and travel around. Bonuses are paid in the public service for anyone who is able to reduce the person years of employment in their sphere of influence. What happens is that if one gets rid of five weather observers and replace them with a machine, one would get the bonus for reducing one's payroll. However, the expense of the five machines goes to one ledger and the expense of the maintenance person goes on another ledger. We still have to pay it but we are really no better off than we were when we started or perhaps a little further away from where we wanted to be.

It also does not do any good in terms of employment. What we have to do as a country is not just say we are going to have a wage freeze, but we have to go through our books line by line just as we would in the private sector and ask how we can make

everything that we do more effective, more efficient and work better rather than just saying willy-nilly, we are going to put a freeze on this or we are going to put a freeze on that. While it sounds good, it really does not accomplish anything.

In conclusion, I would like to spend just a couple of minutes addressing the question of Quebec and the fact that this has come up for those who have been following this debate. Every time a member of the Bloc stands in this House, at least in my experience, it has been to cry how badly off the Bloc is treated financially by the rest of Canada and yet it is to request more money from the Government of Canada.

I hope that when this great national debate takes place in this House and in the rest of the country we talk honestly and openly and fairly about who gets what out of Confederation. Speaking for myself and for many of my colleagues here, speaking for the people I represent in Edmonton Southwest we do not mind because we recognize that we are better off than most paying money into Canada that is used as equalization going to other regions of Canada to help them along.

However, we really resent it when we are paying this money into an equalization pool and the people who are on the receiving end of it just ask for more and never say thanks. As this debate over the next few months unfolds, I hope we will talk honestly about whether we are together as a nation because we want to be together or because we are together as a nation only because we continually pull out the wallet and throw money at the problem. I can guarantee that if that is the only reason that we are together as a nation it will not last.

This budget in some aspects is a step in the right direction. Certainly to be fair it is better than anything the Conservative government came up with over many years. Let us not kid ourselves, it is merely the first tentative step. The very difficult and hard decisions are yet to come. They must come because not one person here, not one Canadian anywhere in this land has ever spent their way into prosperity.

The only way that we as a nation can make our futures better is if we live within our means. It is not morally right for our generation or the generation that preceded ours to live beyond our means at the expense of generations of Canadians yet unborn. We are going to have to bite the bullet, live within our means and make the tough decisions necessary.

(1805)

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, at the outset I thought that the member from the Reform Party was going to be talking about the CBC. He started talking about the CBC in his initial comments and started quoting on the program that we could watch with great anticipation and delight this evening.

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I do not know whether he had the occasion to watch *Venture* last night. It was talking about the BBC and the types of programming that the British Broadcasting Corporation has.

When watching the breadth, the depth and the scope of what is allowed to be broadcast in the UK as opposed to what our CBC is allowed to broadcast here in this country I felt slightly ashamed. Here we have a Canadian Broadcasting Corporation that we are literally starving to death and not allowing it to use any amount of intellect as to the type of broadcasting that it can show us.

I had to stop and think that it probably had to do with money. It had to do with the amount of money that we were giving it. If we are going to starve it to death then we might as well put it out of existence. We might as well not have a CBC as to allow it to slowly starve as to what it is allowed to show us.

I think we are being very shortsighted and I would like to hear the comments of the member opposite on this. I think that the CBC was created the same way as our railway system was created in this country because we are such a vast country. We need to know what is happening in Northwest Territories and in Yukon or even in Alberta for the information of the Reform member.

There is nothing more enjoyable to me than driving home at night, I live in the nation's capital, listening to that program broadcast from coast to coast and I can hear what is happening in Newfoundland or I can hear what is happening in British Columbia. I can find out what is happening in this wonderful country.

My question to this member is does he really believe that the Canadian Broadcasting Corporation has a role in this country in broadcasting? If he does, how does he expect it to accommodate what we as Canadians would like to see on its programming with the type of money that we are allowing?

Mr. McClelland: Mr. Speaker, to the hon. member opposite, the program that we were both watching last night was *60 Minutes*, another American program.

When the hon. member mentioned driving along she was talking about the CBC radio program *As it Happens* that I think many Canadians listen to regularly.

I think if we were to say what model would we have for CBC television it would be CBC radio because we have to make distinction between CBC radio and CBC television. If I were looking for a model it would be CBC radio on television.

How would we go about achieving that? All across this fine nation we have public television. We have Access in Alberta and whatever it is B.C. and we have TVO in Ontario and in Quebec and in the maritimes. They are the educational television networks. They are all struggling for money. They can barely survive.

Would it not make sense for the CBC rather than to be telecasting the dribble that it is telecasting tonight in prime time to be taking some of the programs that are on Access and start working toward that?

The CBC last year started to sell itself as "flash, the public broadcaster". In my view what it is trying to do is live off PBS. It is trying to be a Canadian PBS but it is not.

Let the CBC become a public broadcaster. Let the CBC broadcast BBC type programming and get out of commercial programming. Why is CBC competing with CTV for the broadcast rights of the Olympics?

(1810)

It has to be either fish or fowl and if it is going to compete in the private sector then let it compete in the private sector on a level playing field and not get one cent from the public purse. If it is going to get money from the public purse and call itself a public broadcaster then stop telecasting this dribble and become a public broadcaster and that is all I am suggesting.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, I rise after my friend who talked about *60 Minutes* and *As It Happens*. There is some confusion here.

I am wondering if my colleague and friend from Edmonton Southwest would mind if I would change channels for a moment and talk about something he discussed about unemployment insurance.

His comments were, and I am sure my hon. colleague would like to correct this, that hundreds of thousands of people are milking the system in Canada who are on UI. I am sure he would like to rephrase that statement because although we acknowledge that there are some abuses in the UI system and there are ways we should correct the UI system, when we have the number of people we have in this country collecting UI while they are looking for other jobs they are very honourable and very fine Canadians who are out looking for work.

I enjoyed very much the personal experience that my colleague had the opportunity to bring to the attention of this House but I would like him to correct if he would the misconception that there are hundreds of thousands of people in Canada who are milking the UI system.

Mr. McClelland: Mr. Speaker, it is a tragic number. There are over 1.5 million people in Canada today who are out of work. There are social costs in being out of work. It is not just the financial costs, it is the lack of self-respect, the lack of self-worth experienced when people are unable to get that job. I know very closely from personal experience that the sense of self-worth and self-confidence really starts to go.

At the same time, while certainly there may not be hundreds of thousands, there are many thousands. We all remember the UIC ski team. We all know of circumstances in which people are

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using the system. The system allows itself to be used that way and people are not stupid.

If our largesse has the built-in ability for people to use it, it also has the built-in ability for people to abuse it and unfortunately we have become for one reason or another a nation that does not look askance at people who abuse the system.

If people cheated on their taxes they were considered to be criminals. Every day now people are avoiding taxes, the GST. People are using the unemployment insurance or other welfare entitlement programs and feel they are entitled to them.

I think we have really lost something in our country when we became a nation of entitlements or benefits or rights rather than responsibilities.

I think the germ of the same thing is there that we as a nation have forgotten the fact that we are a people with responsibility to the nation. Every word we ever hear is about the rights that we as individuals have from the nation. We have to turn that around somewhere and I think it starts right here in this House.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, I would like to offer one observation as a result of the remarks of the hon. gentleman pursuant to the CBC.

He may or may not know that I spent 18 years at the CBC and so I know a little about that corporation.

(1815)

What he neglects to say is that the Canadian Broadcasting Corporation finds itself in a catch-22. Those of us who are what you might call purists and who defend public broadcasting would be more than delighted to see the CBC get out of commercial broadcasting completely. I really think that a public broadcaster has no business being in the commercial business.

As the hon. member should know, there is a refusal on the part of a lot of Canadians, probably himself, to fully fund a public broadcast network, and so the corporation over the last many years has felt the need to get into commercials even in a larger way.

Then when the corporation does resort to gaining commercial revenues a gentleman like him comes along and complains about the CBC in broadcasting sports events. Sports events in our culture attract large audiences and when we attract large audiences that is how we attract commercial dollars or first of all how we attract advertisers and that attracts commercial dollars. That is the catch-22 or the vicious circle that the CBC finds itself in.

Do not complain about the CBC's involvement in commercials. It is forced to because of the refusal to support it well as a public broadcaster. That is the catch-22 the corporation is in.

Mr. McClelland: Mr. Speaker, I certainly do acknowledge the fact that the CBC is in a catch-22 position. In my comments I think I made it very clear that it is trying to be fish or fowl and cannot be both.

I have looked at the CBC, as we all have, for many years. The CBC is going to have to define its mandate and decide what its going to be and how its going to do it and then come to the government and say this is what it wants to be or this is what it can afford to be.

We cannot keep on going as we are going today. The hon. member is right, if I had a choice between the CBC as it is today, CBC television, and continuing to throw more money at it, I would say absolutely not, not another nickel. If we could have a CBC, a la CBC Radio, a la the hon. member's intention, then I say it is worth contributing to and it is worth supporting. In its present state I do not think it is worth supporting.

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I would like to take this opportunity to change direction slightly in this debate and talk for a moment about infrastructure. That is a keystone part of this government's budget and I would like to give the very narrow example of what that infrastructure program is already doing for my riding.

Before I go into that detail I would like to put a little anecdote together. Some 10 years ago I had the occasion to go on a courtesy flight in an aircraft of the Canadian War Plane Heritage Museum. The Canadian War Plane Heritage Museum operates from Hamilton civic airport in my riding and had at that time a collection of some 40 World War II vintage aircraft, that is pre-war and immediately post-war. I had the happy occasion to go up in an aircraft called the TBA Avenger. It was a torpedo bomber used in the second world war, chiefly in the Pacific, and this particular bomber was flown by the Canadian air force during the second world war.

I flew in the rear gunner position. The airplane was used in mock manoeuvres and it was quite an incredible airplane. The Canadian War Plane Heritage Museum also had a Hurricane and did mock dog fights and there I was. The airplane was diving and climbing and it was quite an exciting experience. It was a very daunting experience, I have to say.

While I was on that flight I could not help but realize that this was the real point of this museum. This airplane that I was in, this World War II airplane, was a full working airplane. It was not just a museum piece. It was something that had been restored, lovingly restored, and was in full flying condition even though it was almost 50 years old.

I have to tell the House a sad thing about that aircraft. A little more than a year ago it was destroyed in a fire in a hangar at the Canadian War Plane Heritage Museum at Hamilton airport, along with a Hurricane from that same vintage. This was a terrible disaster to the museum which has become in the Hamilton region one of the stellar attractions. The museum had

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at that time about 40 aircraft and attracts about 80,000 visitors a year. In that five aircraft were destroyed and it was a very sad thing.

(1820)

I wish to report however that the War Plane Heritage Museum which is chiefly staffed by volunteers, with over 6,000 members, has risen from the ashes. It has done more than that. Not only has it embarked on a very aggressive program to replace the aircraft that were destroyed, it has also put forward a proposal to build a brand new museum on the Hamilton airport property as part of the infrastructure program. It has actually put a proposal forward.

This proposal has gone before the Hamilton—Wentworth regional council and it has basically agreed to partial funding. The council is going to put up \$1 million and the museum is going to come up with the other \$3 million through donations and various other means and then we hope to have matching grants from the province and the federal government to bring the total cost of the museum to \$12 million.

The plan is a beautiful one. They want to put up a museum which will be right next to the airport terminal. It is going to be shaped like the fin on the tail end of an airplane and there will be two large hangers on either side in which to keep the restored aircraft. There will be a viewing area and all that kind of thing. It is going to be fairly close to where they are going to put the new highway 6 bypass. It is going to be a very attractive project.

This seems to be a rather odd thing to be a candidate for an infrastructure program because we think more in terms of roads and bridges. The region is using much of its \$53 million allocation for just that purpose. This project incredibly fits right into the infrastructure mandate as laid out in this program. It is going to create jobs and it is going to be operated by the people who have put it together.

The thing that makes this project so exciting is not only is it going to create jobs, it is going to create enormous attention for the War Plane Heritage Museum which as I explained already attracts 80,000 visitors a year and we can expect it to attract 160,000 visitors a year when this is completed. Therefore, we will see jobs created.

The thing that is so delightful about this project is that it really is a project that celebrates our past and our identity as Canadians, even though it is an infrastructure project. This is the thing that is so beautiful about it.

For instance, one of the most stellar aircraft in the collection is a Lancaster bomber which is one of only two Lancaster bombers in the entire world that will still fly. That is the kind of object that is in this museum.

The reason I bring this up is that to my mind it just shows how a program like the infrastructure program that has been presented by this government can be taken by regional politicians and by ordinary people and be made into something that can inspire our fellow Canadians, can celebrate our past and be a very fine thing for everyone involved.

I think that other communities will take this program and do many things similar to this. It is a very fine program and a very fine budget.

The Deputy Speaker: I understand that the member is dividing his time. The hon. deputy whip to the government, the hon. member for Glengarry—Prescott—Russell on debate.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to participate in this debate.

I want to start by congratulating the Minister of Finance for having brought forward such a balanced budget for our country. Mr. Speaker, lest you think that I am partisan when I make these remarks, which is probably the furthest thing from your mind at this point, let me tell you what others have said about the budget.

(1825)

John Reid of the Canadian Advanced Technology Association says that the budget sends a good message for the economy and our rapidly changing job structure. Is that not great?

Ted Bryk, president of the Canadian Home Builders Association—an appropriate name for a job like that—said: “I think it is fantastic. I see it as a really positive move that will encourage young buyers into the housing market”. This is in reference to the extension of the RRSP Home Buyers Program.

“It is a huge incentive for small business to create business. You take a tax off jobs, you get more jobs”. This is in reference to the cut in UI premiums by John Bulloch, president of the Canadian Federation of Independent Business.

Even bankers have said that this is in bankers’ language a good budget. Mike Chandler of the Royal Bank says that the market seems to have given the budget a passing to good grade. Considering bankers’ compliments as they are, I consider this to be pretty complimentary.

[*Translation*]

So, as you noted, Canadians agree that this budget is good for the future of our country. It is not only commentators who made comments on this; we have already seen the effects of this budget, and also the effects of having a government that we can trust, and we see it in the reduction of the unemployment rate since the Liberal government took office.

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[English]

What has this meant? It has meant that in March the unemployment rate had fallen to 10.6 per cent. Of course that is still way too high but we have only just begun. We have reduced it from 11.1 per cent in February and the month of February had a huge increase in the number of jobs. I say to all hon. members that this is good news for Canada.

[Translation]

So, the infrastructure program is not even implemented yet we are receiving bids and we award contracts.

The other day, I heard the Minister of Finance tell us that, at first, we thought that the infrastructure program would create 60,000 jobs. Well, we were wrong. It will create 90,000 jobs, according to the most recent estimates. And it is not even in place yet.

So, you see, this government is here to serve the Canadian people and to serve them well. We are here, of course, to make sure that Canada will prosper. It is useless to preach despair, as some of our colleagues opposite do, or as those who like to say that we should cut everything and that perhaps the economy will work by itself. No. The government is here to govern. It is here, of course, to have its say for the good of the Canadian people and for the good of our economy.

[English]

As a father of two adolescents, I cannot wait for the economy to improve. I have a son of 22 years who is just completing his fourth year of university this year. I want him to be able to have a job, yes, but a good job even more so. I say that we must move now to do these things. Every day we wait to pass Bill C-17 is costly.

For instance, I say this to my colleagues from the Reform Party, if the bill is not passed by June 16 in all stages, the Senate, royal assent and so on, it would cost \$34 million more pursuant to the Western Grain Transportation Act. If changes to the Unemployment Insurance Act are not made by the first week of July, a one month delay would cost \$175 million more. The people opposite say they are in favour of saving money. This would rise to \$350 million after three months. That being said, we have waited long enough. Therefore, pursuant to Standing Order 26(1), I move:

That the House continue to sit beyond the ordinary time of adjournment for the purposes of considering the second reading of Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

(1830)

And fewer than 15 members having risen:

The Deputy Speaker: Pursuant to Standing Order 26(2) the motion is adopted.

(Motion agreed to.)

[Translation]

Mr. Plamondon: Mr. Speaker, I would simply like to say that as for the House's cooperation, if the government keeps on moving such motions without any warning, the Official Opposition will put an end to the exceptional cooperation it has offered up till now.

We had an understanding concerning that bill; we would discuss it until 7.10 p.m. in accordance with the Standing Orders. But they underhandedly propose continuing the debate this evening without giving us advance warning for our speakers. We refuse to agree to such methods and if that is the kind of game the government wants to play in the coming weeks, I can tell you the Official Opposition will not behave as before.

The Deputy Speaker: It is now time for comments or questions on the last speaker's intervention. Are there any comments or questions? The member for Richelieu.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, during the five minutes I have left, I would like to make a few comments on the speech by the member who just spoke.

It is rather surprising to hear him make such remarks when we know what he used to say when he was in the opposition. How dare he come and tell us with a straight face that unemployment has dropped when it has only fallen by one point and only because unemployed workers are now on social assistance. There is nothing to rejoice about.

What I cannot understand is that the member, instead of being ashamed of his government's performance, and trying to put a good face on a ridiculous budget, is boasting about it. He is boasting about his government's performance. He claims that his government has created 100,000 jobs, but with what projects? With what? With what vision? With what performance? This government has no economic vision.

Speaking of the last budget, what did it amount to? It amounts to the creation of 32 or 33 committees of all kinds to consult people, whereas before the elections, they were brandishing their red book saying that they had solutions for everything. They had solutions for everything but when the time came to table the budget, the only solution they had was the same disease the Tories suffered from, which is to consult the people. We have consultations on defence policy, consultations on economic matters, consultations regarding social programs, but no decisions.

And the member opposite dares come here and boast about his government's performance! There is a total lack of vision in the bills this government has presented since it came to power. They have no vision and they come and tell us that everything is fine. They talk about infrastructure, temporary jobs, jobs created with borrowed money. They say they will create 90,000 jobs, 60,000 jobs or maybe 45,000 jobs, none of them long-term. Is it the only thing you have to offer your son who is graduating after four years in university? What is he supposed to do? Work for a

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few months at a job provided by the infrastructure program? Is this the best you have to offer your son, sir? Mr. Speaker, through you, I am talking to the member and I think I am getting him upset.

(1835)

Well, this government, which has no vision, has decided to consult the people instead of making decisions. Consultations like people in bars would have held. You only have to listen to open-line shows to know that people are fed up, that they want decisions, cuts, changes and a fairer tax system.

Why not do something about family trusts? About tax havens? Because the people who benefit from them are the same people who finance your party. Now that you are in office, you do exactly what the Conservatives did. It is your turn to enjoy pork-barrelling. Instead of saying "We will not do as the Conservatives did", as you promised to do while in opposition, you have not changed a thing. You come up with the same kind of budget, the same kind of statements. You brag about decreasing the unemployment rate, when you had nothing to do with it. You brag about creating jobs, even though not one program has been set up since you came to office, and no economic direction has been given. You are behaving exactly like the Conservatives did in 1984.

You had five months to answer my questions, dear colleague. Five months to let me know of your government's intentions through statements by ministers and a budget that holds up. But no, we got nothing at all.

I would be pleased if the hon. member could give me an answer, albeit a short one. You have already talked too much, that is why I did not leave you much time to reply. I would like the hon. member to tell me how he can be proud of what his government has done, since the unemployed have seen their benefits reduced, as of April 1, and have lost \$1 billion—

Mr. Boudria: Mr. Speaker, I am not sure if that was a question or a litany. I thought it would never end.

The hon. member asks us why we are in favour of consultations with regard to family trusts. Does he not remember that it was his own colleague, the opposition finance critic, who called for consultations? You see, we are so receptive that we are even willing to take advice— not too often, of course—from a member opposite.

The hon. member questions us about the budget, claiming that the general public does not like it. I will read you a quote: "The federal Finance Minister's first budget is modest but true to what the Liberal Party told Canadians during the last election campaign. It will not please those who, like the Reform Party, want to slash spending across the board. But, for once, it spares

the vast majority of taxpayers who already shoulder a heavy burden." That quote is from *Le Devoir*.

Would you like to hear another one, Mr. Speaker? Here is what the *Vancouver Sun* had to say: "Mr. Martin kept his word. He gave us a combination of tax increases and spending cuts that will reduce the deficit a little without compromising a fragile recovery." Canadians across the country are saying unanimously that it is a good budget.

Mr. Jean Landry (Lotbinière): Mr. Speaker, I would like to express to this House my support for the amendment moved on March 25 by my colleague, the hon. member for Mercier, respecting Bill C-17, an Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

(1840)

How can we endorse these amendments to the Unemployment Insurance Act? How could we support this government, even for one minute? Do you think we were elected to help the government swap its promise of jobs, jobs, jobs for bang, bang, bang? That is the sound of unemployment insurance reform crashing down on the heads of the unemployed if we allow the government to come down hard on them, because that is what it intends to do, Mr. Speaker.

In moving her amendment, my colleague gave two reasons why this House should refuse to proceed with the second reading of this bill. I fully agree with them. How will the proposed amendments to the Unemployment Insurance Act redress the imbalance between have and have-not regions? Where are the measures to reduce youth unemployment? How does the government explain its pursuit of a conservative policy and the finance minister's refusal to cancel this year's increase in unemployment insurance premiums?

These are all questions that I have been hearing from my constituents and that are being asked across Canada. Is the government deaf? I hope that it is not and that it will take these concerns into account. The people deserve more than recycled conservative policy.

There is nothing in this bill that leads us to expect that the inequities between the provinces will be eliminated. Who will be affected by the amendments to the unemployment insurance system? Quebec and the Maritimes. Increasing the number of weeks needed to qualify for benefits affects mainly the Maritime provinces and Quebec. In the regions hardest hit by unemployment, people will have to work two weeks more to obtain benefits, that is in regions where unemployment is over 16 per cent.

Let us suppose, an unpleasant hypothesis, that this measure had applied in the past few months. Seven of thirteen regions would have been affected in the Maritimes and six out of thirteen in Quebec. In real terms, we are talking about 277,000

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unemployed people in Canada, of whom nearly 210,000 live in these regions suffering from the economic climate.

Many young people who have to rely more and more on insecure employment will be victims of these measures. They will not collect UI, no, they will have to live on welfare. What a program, Mr. Speaker!

We learned some good news last week: unemployment had declined. Bravo! But that is mainly thanks to the economic recovery in the United States, so the government should not boast. Nothing in its budget has helped the economy recover in this country, Canada. But at least, if the economy is recovering, the government should not put obstacles in the way of those who want to participate in this economic recovery.

When I hear the Minister of Human Resources Development say that he wants to require beneficiaries to work for longer periods to qualify for the same number of weeks of benefits, my hair stands on end! As if the unemployed chose to be out of work. That is not the problem, Mr. Speaker. Unemployment in our area is due to the lack of jobs and to the fact that more and more people have to go from one temporary job to another.

Do not mention the infrastructure program to me; it only creates temporary jobs, not real permanent jobs. There is nothing to give confidence back to the 1.5 million unemployed people throughout Canada and the 428,000 in Quebec. No. The eligibility conditions will not be tightened and the number of weeks of benefits will not be reduced. It is a big deal.

As I just said, the result will be to shift claimants from unemployment insurance to welfare. This passing the buck to the provinces, which is what it is, Mr. Speaker, will cost the provinces at least \$1 billion, of which \$280 million is for Quebec, according to the figures put forward by three economists from the Université du Québec à Montréal. The government, more generous, no doubt, estimates the costs at between \$64 and \$135 million only.

(1845)

Clause 28, Part V, of Bill C-17 is complete nonsense. This clause modifies the number of weeks of benefit entitlement and abolishes the qualifying salary range for UI. As I have just demonstrated, these measures affect areas with the greatest needs. Again, the unemployed do not choose their situation, no matter what certain dinosaurs seem to think in Canada.

Still, according to the previously mentioned study conducted by three economists from the University of Quebec in Montreal, 90 percent of the unemployed in Quebec did not voluntarily quit their jobs. We are talking here about lay-offs, job losses, illnesses or buy-outs. Others are looking for a first job, but are not receiving any UI benefits. Job security is practically non-

existent. We have no control over the length of employment. Workers accept casual, precarious or seasonal jobs. Not by choice. It is not that they refuse stable jobs and decent salaries, but rather that only these types of jobs are available. I cannot believe that we must still explain that to the government.

Another point which supports our case for amending this bill is the government's decision not to lower immediately the UI premium rate from \$3.07 to \$3 for employees, and from \$4.30 to \$4.20 for employers. The Minister of Finance decided to postpone this move until 1995. I think the good news from last week concerning the reviving economy should prompt the government to reinstate the \$3 rate as soon as possible. You know as well as I do how fragile an economic recovery can be.

Cavemen did not spit on the fire they wanted to light. Rather, they blew carefully on it to make it brighter. It is that kind of care that is needed to ensure economic recovery. Why jeopardize the recovery when one could have frozen the rates in January and could still do it with an amendment to the bill?

Not later than last week, the minister of Finance recognized in an interview with Canadian journalists that, considering their current levels, U.I. premiums killed jobs. The Minister of Finance said and I quote: "The problem today is not that we must take fiscal measures to encourage job creation. Rather, we have to eliminate fiscal measures that deter employers from hiring people. That is the real problem."

I am glad to see that the minister has identified the problem. Now he only has to take action. Why was Bill C-17 not brought in with that in view? When a job is botched, there is no shame to do it again. When the government brings in the House a bill which will reduce iniquities between richer and poorer provinces, measures which will create jobs for the young and cancel the raise in both employers' and workers' premiums, it will have done a real good job.

As the slogan of a well-known Quebec humorous magazine says, it is not because we laugh that it is funny. Yet, I feel that this is the reaction of Canadians to the government's promises. The government claims that the reduction in the unemployment insurance premiums in 1995-96 will create 40,000 jobs by 1996. Those who prepared the budget have taught us a few things. Every 1 per cent reduction creates some 1,300 jobs. One does not have to be a rocket scientist to figure out that any increase leads to a loss of jobs in the same proportion. The government talks about 40,000 jobs that were eliminated in its last budget. Where will the government re-create these 9,000 lost jobs? In its budget, the Liberal government proposes to re-create these same 9,000 jobs by lowering premiums to their 1993 levels. There is the catch! The government will re-create what it had eliminated. The remaining 31,000 jobs will not appear as if by magic.

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(1850)

I think these 3,000 workers could return to the labour market; is it not the wish of all members of this House to see these 3,000 people regain their pride? This country needs more people working to turn the economy around, but under the current system every time you hire someone, you get hit by a whole lot of new taxes.

The government must be consistent. Yet, it hopes that this House will pass its bills without reacting. It should listen to the Canadian people expressing themselves through us: let businesses and the unemployed breathe; do not stand in the way of the economic recovery; refuse to proceed with second reading of this bill before it is too late.

Mr. Plamondon: Mr. Speaker, I rise on a point of order. I understand that the government is very interested in continuing this debate but we do not have a quorum.

The Deputy Speaker: I ask the Clerk to count the members present.

And the count having been taken:

The Deputy Speaker: We do not have a quorum. Ring the bells.

And the bells having rung:

The Deputy Speaker: As we now have a quorum, the hon. member for Winnipeg St. James has the floor on the debate.

(1855)

[*English*]

Mr. Harvard: Mr. Speaker, I understand that this is on debate.

Some hon. members: Question.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

[*Translation*]

And the division bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)(a) I have been requested by the Chief Opposition Whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(5)(a) the recorded division on the question now before the House stands deferred until 5.30 p.m. tomorrow, at which time the bells to call in the members will be sounded for no more than 15 minutes.

[*English*]

It being 7 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)

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