



# House of Commons Debates

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VOLUME 133

NUMBER 107

1st SESSION

35th PARLIAMENT

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OFFICIAL REPORT  
(HANSARD)

**Monday, October 17, 1994**

**Speaker: The Honourable Gilbert Parent**

# HOUSE OF COMMONS

Monday, October 17, 1994

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

[*English*]

### HAZARDOUS PRODUCTS ACT

**Mr. Rex Crawford (Kent, Lib.)** moved that Bill C-220, an act to amend the Hazardous Products Act, be read the second time and referred to a committee.

He said: Mr. Speaker, it is with great hope that I rise today to lead off Private Members' Business on Bill C-220, an act to amend the Hazardous Products Act.

I first introduced this bill in June 1993 and reintroduced it on March 7, 1994. The bill is in direct response to a tragic accident in my riding which claimed the life of the 6-year old son of constituents of mine, Robert and Maria Weese of Wallaceburg. I am pleased to say that they will be in the gallery this morning with their children, son Craig, daughters Paula and Kelly.

On June 15, 1992 their son Mark was killed by a poorly designed, poorly maintained portable soccer net. The bill's sole intention is to prevent further tragedies, because the incident in my riding was only one of many. Bill C-220 would oblige users of soccer goals, handball goals and field hockey goals to fix them to the ground so that they do not easily tip over, causing injury or death.

I acknowledge that the bill as specifically written needs additional measures to make it more effective. Today in private members' hour I believe that by raising awareness of this issue and this concern, the rationale and intent of the bill will be established and proven.

I have met with staff and officials from the office of the hon. Minister of Health and I want to thank the minister for her guidance and assistance in this matter. We will all work together to increase the safety of our children. I look forward to pursuing this issue with the minister in the months ahead.

As well, I want to take this opportunity to commend Robert and Maria Weese for their important and heartfelt efforts. They

have sent over a thousand letters to soccer associations all across Canada and internationally outlining the dangers of portable nets. The Weeses have compiled some disturbing examples about accidents involving portable equipment.

Since 1979 there have been 15 deaths and five serious injuries in the U.S., but unfortunately there are no Canadian figures, as no one group compiles them, not school boards, not recreation associations.

(1105)

We have a hodge-podge, a patchwork of information across Canada. One of our main goals must be to increase the amount of information available to users of portable nets.

Bill C-220 is based on recommendations of the coroner's jury inquest in October 1992 after a 14-year old boy was killed by a portable net. This needless death occurred fully four months before Mark Weese's. Why were the recommendations of the inquest not followed?

I was just informed that there was another regrettable death in New Brunswick last month and on October 3 a 12-year old boy died in Detroit, Michigan as a result of a portable soccer goal falling on his chest. Three years ago there was an incident in Newfoundland.

I would like to read into the record the eight recommendations of the Wallaceburg inquest. Before I do I want to suggest that these statements are totally logical and apply common sense. They should have already been in practice before tragedy called attention to this issue.

One, portable goals for indoor use should be made of light-weight materials and either counterweighted with sandbags or anchored with a flexible anchoring system which allows the goal to move in a lateral direction but not tip over.

Two, portable goals for outdoor use should have an anchoring device to allow for stability during the game and which will allow the goal to be stored.

Three, the Department of Consumer and Corporate Affairs should amend the Hazardous Products Act to include the equipment and to acquire a standards program from the Canadian Standards Association in order to ensure that manufacturers' products meet minimum safety standards.

Four, suppliers should ensure that all of this equipment meets CSA standards before shipping to purchaser.

*Private Members' Business*

Five, consumer and corporate affairs should be notified by coroners' offices, hospitals and police departments immediately of death or catastrophic injuries resulting from accidents involving sports equipment, and they in turn should use their computer system which can have the capacity to highlight incidents and advise the ministry of education, boards of education, the ministry of tourism and recreation, municipalities, associations, suppliers and distributors.

Six, permanent manufacturers' labels should be clearly displayed indicating manufacturer, address and year of manufacture.

Seven, any cautionary advice regarding equipment use and handling should be clearly displayed separately and in a contrasting colour. It should also appear prominently on all product documentation.

Eight, qualified independent safety inspections should be conducted on an annual basis and following repairs or modifications inspection records should be kept on file by the user.

Those are the eight recommendations from October 1992 and yet they are still to be fully implemented. I want to draw attention to this fact by bringing this bill to the House for discussion.

Injury accidents are now the number one killer of children nationwide. In the U.S. they take about 7,200 lives a year. Another 50,000 children suffer permanent injury. The U.S. Consumer Product Safety Commission warned in September 1992 that movable soccer goals can tip over and kill children who climb on them or pull up on the cross bar. In some cases an unanchored goal gets blown down by a gust of wind.

There was a meeting last week of the safety commission in Washington, D.C. It was attended by Canadian representatives who are working with our American colleagues to increase the level of information available and create policies to revamp needless tragedies in the future.

(1110)

Currently the U.S. safety commission has published a handbook for public playground safety. In chapter 5, subsection 1.1 it notes that secure anchoring is the key factor to stable installation. When properly installed, equipment should withstand the maximum anticipated forces generated by active youth which might cause it to overturn, tip, slide or move in any way.

The Canadian Standards Association has issued guidelines for preventing playground accidents to ensure that equipment is safe. The CSA emphasizes that the base of equipment should be anchored firmly below the ground.

It suggests that parents ask their local municipality or school board how often it inspects equipment. The CSA recommends a

daily visual inspection, a more detailed monthly inspection and a comprehensive inspection handling.

Distribution of safety information is the key to all of this but it must get to everyone. There was a fatal net accident in Toronto in 1992. A month later, the net manufacturer, Sports Equipment of Toronto Limited, a national supplier of institutional sporting goods and gymnasium equipment, issued a notice stating that soccer goals, handball goals and field hockey goals be anchored securely to the floor or playing field when in use and stored in such a manner that they will not fall over when not in use.

I commend the company for the urgent notice but it was only sent to school boards in Ontario. It did not extend its warning to municipalities, parks or recreation departments.

In the U.S. officials are coming up with a variety of methods to increase the safety of nets.

According to an article in the *Detroit News* of April 18, 1993 the Fairfax county, Virginia public school system has become a national leader in implementing the two safeguards that experts consider essential: anchors and warning labels.

Every portable soccer goal in the district has warning labels, black, red and bright yellow. The labels warn that climbing on goals or failing to anchor goals can cause serious injury or death. The Virginia School Board even purchased a corkscrew type anchor about 12 inches long. It is easy to put in and hard to take out.

The institute for the study of youth at the University of Michigan says that no games should be played on fields where goals have not been anchored. The institute wants a local bylaw passed to make the home team coach responsible for anchoring both soccer goals before the start of the scheduled match. If this is not complied with, the match is forfeited.

It is worthwhile to point out that some manufacturers are forming a coalition for safe soccer goals and have begun making models that collapse when not in use. I hope that in Canada we are going in the same direction.

Again, I commend the Weeses for their commitment and dedication and their dogged pursuit of safety during what must be trying times. They have formed a volunteer group in Wallaceburg called PARCS, Parents Assuming Responsibility for Children's Safety. As well, the town of Wallaceburg has undertaken a comprehensive review of park equipment. I applaud it for that but it is not universal. On a recent trip around southern Ontario the Weeses found potentially dangerous and unsafe equipment in Woodstock, St. Thomas and Goderich.

They have written letters to the communities and want the posts fixed. This grassroots, local, neighbour to neighbour effort is to be encouraged, praised and honoured. We need the power of government to lend a helping hand. We must manufacture safer nets and then inform all users of the standards for safety. We

cannot leave it up to the goodwill and good thoughts but to concrete action on the part of regulatory bodies and standards associations.

(1115)

I welcome the comments of my colleagues on this bill, but more important is the issue symbolized by Bill C-220. If we can prevent one death or tragedy through our discussion this morning then it is all to the good.

Second, it is the purpose of Private Members' Business to allow any member from any party to raise awareness on an issue. It is important to our ridings and to the country at large. In the short time we have this morning I believe we will succeed on both counts.

I am honoured to speak on behalf of my constituents regarding Bill C-220 because it is due to their initiative that this member of Parliament gets the privilege to discuss the bill in the first place.

On a personal note, two years ago I bought a gym set for our grandchildren. The little people are one step ahead of us all the time. It was two swings, a sway bar and a slide. The youngest is three and the other two are four. They found by swinging in unison, they could bring the tripods that held this playstand off the ground. I was in a state of shock.

We have to watch the little people. I think they are more intelligent than we are. They were able to bring the stand two feet off the ground on either side as they were swinging. I made them stop. I was able to get bars that would latch on to the stands, which were 24 inches in depth. I drove them into the ground to support the stand.

The company that built these stands should have included stakes to make them more safe. If 10 or 12-year old children had been on that swing they would have flipped it over quite easily. These little ones at the ages of three and four were certainly working their way up to flipping it over when I made them stop.

We are not aware of the dangers unless we are there to see what can happen even in our own yards. We should support this bill. It lets people know exactly what is happening throughout the country. Children at schools and playgrounds are being killed when they can easily be saved for very few pennies.

Once again, Mr. Speaker, I thank you for giving me the time to speak on the bill this morning. I await hearing other speakers.

[*Translation*]

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, I welcome this opportunity to speak, on behalf of the Official Opposition, to Bill C-220, an Act to amend the Hazardous Products Act.

### *Private Members' Business*

It is always useful to read the explanatory note: "The purpose of this bill is to make the *Hazardous Products Act* applicable to soccer goals, handball goals and field hockey goals as 'restricted products'".

At this stage I would like to commend the hon. member for Kent on his perseverance, since the hon. member introduced this bill during the previous Parliament and had to go through the whole process again when the new Parliament convened. I also want to commend him on his sensitivity, in the light of the tragic experience in his riding of Robert and Maria Weese, who lost their son Mark at the age of six.

(1120)

Personally, I am very sensitive to such matters because I have a son the same age, and I can imagine the intense grief suffered by these parents after such a tragic event.

The bill would make it compulsory to equip soccer, handball and field hockey goals with an anchoring device that would prevent the goals from tipping over and falling on children playing nearby. I should explain that in most cases, these accidents did not happen during games but when children were playing with the goals on playgrounds and the goals tipped over, or when the goals were tipped over by a gust of wind and fell on a child, causing either serious injury or death.

Finally, it is also the intent of this bill, in accordance with the coroner's recommendation we will look at later on, that nets and goals shall be portable and can be put away after games in order to prevent this kind of accident.

The Mark Weese case is not unique. In fact, it is unfortunate there are so few statistics in Canada on the subject, and it seems neither hospitals nor schools have any obligation to provide information on such cases to any authorities whatsoever. Fortunately, this is not the case in the United States, where the U.S. Consumer Products Safety Commission monitors this kind of thing. From 1979 to 1992, according to the Commission, many accidents occurred, five causing major injuries, in other words, very serious—you can imagine what that means—and fifteen causing the deaths of individuals, I cannot really say children, ranging in age from three to twenty-two. So that is an indication of the importance of this proposal.

The bill was directly inspired by the coroner's report that was released at the time and to which the hon. member for Kent referred earlier. What struck me particularly was recommendation No. 2, which reads as follows in English:

[*English*]

Portable goals for outdoor use should have an anchoring device to allow for stability during the game and which allows the goal to be stored away.

*Private Members' Business*

[Translation]

We therefore support this amendment to the Hazardous Products Act. If the amendment saves only one life, it will have served its purpose.

[English]

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, it is an honour to be able to support my colleague. Together with my colleague from the Bloc, I commend him for his tenacity in bringing to our attention again something that is very important.

The Weese family took seriously an accident that happened to them and the suffering they went through. They made us all aware of a problem to which I personally was not paying very much attention. When I read the details of the story I was unaware that these goal posts were causing this much trouble, that people actually were being killed. I have now become aware of the problem. That is the negative part.

Here is a family who suffered. A child died and some of us were still unaware of the cause. They took it upon themselves to write thousands of letters to people to make them aware, to make school boards aware, to make parks and recreation departments aware so that out of an accident something good came. I want to thank this family for that.

I want to thank my colleague for drawing this tragedy into the public arena and into the highest court of the land, the Parliament of Canada.

(1125)

It is easy for us to blame manufacturers for not putting the right signs on equipment and not supplying enough information. It is important that they be charged with that responsibility. School boards and parks and recreation departments should be made aware of this fault so they can anchor the goal posts and make them more safe.

However, I want to emphasize another aspect of this as well. It is the responsibility that we as parents and adults have in our respective communities.

I was impressed to hear the member say that he and the Weese family had travelled around southern Ontario only to discover that there are still places where the safety features are not being observed. They are exercising a responsibility that goes well beyond that of parents by going into the community and extending their care to other people's children. It is a highly commendable action on their part.

In particular, I want to recognize the establishment of the PARCS, Parents Assuming Responsibility for Children's Safety. It is through their efforts that the hon. member brings this bill to the House to amend the Hazardous Products Act. Through their efforts school boards are now aware of a problem that they were

not aware of before. Through their efforts I have become more sensitive to this problem.

My two boys are now grown men. They do not have children but when they do I want them to be able to feel comfortable that their children are safe as far as playground equipment is concerned.

Also I want us to recognize that regardless of whether the goal posts are fixed or movable, or movable ones that are anchored, there is still in the heat and activity of play the tendency to forget that one could be hurt rather badly on these goal posts. We have a responsibility to recognize that our children when they play can be in some danger.

There is no better way to ensure that our children are safe than for us as parents to accept responsibility for our children. In the larger community we as adults should recognize that in a way we are parents to all children and to accept the responsibility that has been demonstrated by the Weeses to make others aware of the danger. We need to alert the Minister of Industry to bring forward legislation to amend the corporate act so that the purpose of the bill can be realized.

I thank the hon. member for bringing this to the House. I am going to support the effort, the spirit and the intent of the bill. I hope that all of us will become more aware and accept responsibility to make our playgrounds safer both on school grounds as well as parks and other recreational facilities.

**The Acting Speaker (Mr. Kilger):** There are no further speakers. I do not want to surprise the member for Kent. I want all colleagues in the House to understand that under the right of reply, if the member for Kent chooses to have a closing remark on the business that no one else can speak. In fact, he will close the debate at this time.

Is it agreed?

**Some hon. members:** Agreed.

**Mr. Crawford:** Mr. Speaker, I would like to thank and congratulate members opposite who have spoken in support of the bill. It means a lot to me and it certainly means a lot to the Weese family, who were sitting above us, that people are becoming involved in the issue of the safety hazard of these goal posts.

The hon. member stated he was not aware of it. I was not aware of it either until this came about. I related the situation with my grandchildren who were trying to upset the swings and unfortunately they would have had I not brought an end to it and stabilized the equipment.

I live on the border of Michigan. In the United States soccer is becoming a great sport today. Because of baseball strikes and hockey strikes and one thing and another soccer has taken over. We have a gentleman in Wallaceburg who started soccer many years ago. This gentleman was to be in the Olympics for Italy.

*Government Orders*

Through his efforts Wallaceburg has some of the best soccer teams not only in Kent but in Ontario and Canada.

In the United States it has become great. They are involved in the safety of these nets. We are so close we can see what they are doing across the border from us. We as Canadians should have been leading the way but again we will be following our American neighbours in more safety.

Once again I thank the hon. members who spoke in support of this bill. We appreciate it. Thank you, Mr. Speaker. Thank you very much for all the work you have done in trying to make everyone aware of the safety of field goal netting whether it is soccer, field hockey, or any other sport. I certainly commend you and wish you the very best.

**The Acting Speaker (Mr. Kilger):** There being no further members rising for debate and the motion not being designated as a votable item the time provided for the consideration of private members' business has now expired and the order is dropped from the Order Paper pursuant to Standing Order 96(1).

**Mr. Boudria:** Mr. Speaker, I would ask that the House suspend until noon in order to resume government business at that time.

## SUSPENSION OF SITTING

**The Acting Speaker (Mr. Kilger):** Shall I suspend the sitting of the House?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** The House will suspend until twelve o'clock noon.

(The sitting of the House was suspended at 11.31 a.m.)

## SITTING RESUMED

The House resumed at 12 p.m.

**GOVERNMENT ORDERS**

[English]

**DEPARTMENT OF AGRICULTURE ACT**

The House proceeded to the consideration of Bill C-49, an act to amend the Department of Agriculture Act and to amend or repeal certain other acts, as reported (without amendment) from the committee.

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I rise on a point of order, of which I believe you are aware, to draw to your attention a matter which has prevented an amendment to Bill C-49 from appearing on today's Order Paper as it should have.

According to the rules of the House it was required that if an amendment to Bill C-49 was to have appeared on today's Order Paper, thus giving all members the appropriate advance knowledge of the amendment, the amendment was to have been delivered to the Journals branch no later than 2 p.m. on October 7, the last sitting day of the House.

On Thursday, October 13, my office was notified that the amendment I had submitted on time would not be appearing on the Order Paper for today due to the fact that it was not received by the Journals branch until Tuesday, October 11.

Realizing an error had been made, my office contacted the messenger service to seek verification of the time the amendment was picked up and delivered to the Journals branch. According to the messenger service—and I can table that as evidence if you require it, Mr. Speaker—our amendment was picked up by messenger at 10.26 a.m. on Friday, October 7, and was in fact delivered at 10.55 a.m.

I believe I complied as best I could with the conditions set out in the rules to ensure an amendment is provided to the Journals branch within the prescribed timeframe. Therefore, Mr. Speaker, I would respectfully request that given the unusual situation I have found myself in, you would consider accepting the amendment put forward as having met the requirements of the rules and that the House proceed with debating the amendment to Bill C-49 as if it had in fact appeared on today's Order Paper.

## SPEAKER'S RULING

**The Acting Speaker (Mr. Kilger):** I thank the hon. member for Malpeque for his representation.

The hon. member raises a point of order in which he argues that he should not be penalized for an envelope leaving his office and not being received at the appropriate time at the other end, at the Journals branch.

The Speaker has verified that the information just given by the member for Malpeque is accurate. However it still places the Chair in a very delicate and unusual situation. Having verified those facts, as related once again by the member for Malpeque, I will allow the member for Malpeque to move his motion.

I would also take the opportunity to prevail on all hon. members to pay particular attention to the notice requirement for items to be placed on the notice paper. It is the responsibility of each individual member to ensure that items are not only sent but are actually received by the Journals branch by the deadline.

(1205)

When members find themselves in the precarious situation of submitting items very close to the deadline, they may wish either to forewarn the Journals branch or table the items with table officers in the House.

Once again I thank the hon. member for Malpeque for his presentation.

**Mr. Kerpan:** Mr. Speaker, I believe you will find unanimous consent in the House, at report stage of this bill, for me to

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propose an amendment to clause 7 of Bill C-49, an act to amend the Department of Agriculture Act.

**Mr. Milliken:** Mr. Speaker, I think there have been some discussions between the parties. In light of the fact that there was some problem with respect to notice and this bill, we are prepared to give consent to the hon. member to move an amendment at report stage. I understand there will be two amendments before the House.

**The Acting Speaker (Mr. Kilger):** Is that agreed?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** I say to the member for Moose Jaw—Lake Centre that unanimous consent has been given by the House. While we verify that the amendment is in order, I will begin with the amendment from the member for Malpeque and get back to his shortly thereafter.

## MOTIONS IN AMENDMENT

**Mr. Wayne Easter (Malpeque, Lib.)** moved:

Motion No. 1

That Bill C-49, in clause 7, be amended by replacing line 19, on page 2, with the following:

“before it are replaced by the following:

ANNUAL REPORT WITH ESTIMATES

6. The minister shall cause to be prepared a report showing the operation of the department for every fiscal year and shall include it with the Estimates for the Department for the second fiscal year following the fiscal year covered by the report, when the Estimates are laid before Parliament”.

[*Translation*]

**Mr. Chrétien (Frontenac, BQ):** Mr. Speaker, could we get a written copy of the amendment put forward by the hon. member for Malpeque?

**The Acting Speaker (Mr. Kilger):** Yes, I understand. This document will be distributed as soon as possible.

[*English*]

**Mr. Easter:** Mr. Speaker, I have moved this amendment to Bill C-49 because I believe there is a need for direct accountability by the line department to the House of Commons and MPs by legislation. I do not believe that guidelines established under another act, in this case the Financial Administration Act, are enough. There must be direct responsibility from the line department itself.

There is involved here the principle of accountability and the principle that departments know they are directly, via legislation, responsible and accountable to MPs in the Chamber, not only in some roundabout way through the minister of a department, then to the minister of another department which may be Treasury Board, and then to the House. That is not a direct line of accountability.

(1210)

When questioned by myself before the standing committee on agriculture Mr. Loken, special adviser to the assistant deputy minister, policy branch, had the following to say:

The estimates are governed by specific Treasury Board guidelines, not legislation, that each department has to adhere to in deciding exactly what goes into the main estimates.

As I have indicated, I believe guidelines are not enough because guidelines can be changed easily. There has to be direct responsibility from the line department.

Another problem with the procedure is that without presenting an annual report the focus is on the estimates. Estimates are an intent to spend. I have seen it happen this year before the standing committee in terms of the estimates, part III. The report of the past spending of the department is there, but as members we tend to focus on where the future expenditures are to be. As a result there has not been enough discussion on the actual expenditures as compared to previous estimates.

As a former farm leader I have extensively used annual reports of departments and of agencies of departments. It is a good way for people in the community to find out what is going on, to see the structure of the department and basically to understand how things work. They were accessible.

People in the community relate to annual reports more so than estimates. As a result of that experience they ask for and receive annual reports and therefore can get into discussions on recommended changes in terms of policy surrounding the department based on the annual report.

There were one or two arguments put to the committee when it was dealing with the issue. The recommendation by the department to remove annual reports was based on the premise that they cost money and were irrelevant. If annual reports are irrelevant it is because we in the Chamber do not make them relevant. I believe we should make them so.

The other point put forward was that the information was already contained in the estimates, part III. I agree with that point to an extent. The department has argued that if they are in part III the department will be saved money by not requiring annual reports.

My amendment will not cost the department or the treasury of Canada any more money. My amendment ensures by legislation that the department through the minister is directly responsible to the House. The estimates now established in guidelines will be tabled before members of the House so that we can assume our responsibilities as good members of Parliament and ensure the departments we are in charge of administering in a roundabout way are accountable and responsible directly through us to the people of the country.

*Government Orders*

The purpose of my amendment to this clause is to ensure the line department is directly responsible to members of the House as a result. It should not cost any more money. It can be accomplished through the estimates in that way but it includes in this way the principle of direct accountability to the House.

(1215)

*[Translation]*

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** I remember clearly, Mr. Speaker, that, in committee, my colleague the hon. member for Lotbinière, here, behind me, had indeed suggested an amendment to Bill C-49 that went exactly along the lines of the one put forth by my hon. colleague from Malpeque. I can tell you that, if the government wants to show any degree of transparency, it must table an annual report in due course instead of hiding behind the pretext that it is going to increase costs by a few dollars. Producers are entitled to know where the money allocated to the Department of Agriculture is going.

As my colleague from Lotbinière indicated at the time, any company, however small, has to file an annual report with its shareholders. Non-profit organizations are bound by their charters to convene all their members and submit an annual report. In my municipality, not only does the Caisse populaire table an annual report, but it also seeks the widest participation possible from its members, organizing a great buffet and even drawing a cash door prize that keeps growing and growing to promote attendance.

I never understood why the Department of Agriculture keeps refusing so obstinately to officially table its annual report. This way, the entire Canadian agricultural community could see and check where the focus of the department is, where exactly the major part of its budget is going. Will one region be favoured at the expense of another? Will Quebec get—because in Quebec, agriculture is very diversified—its fair share in each of the areas that have been mentioned?

Will farming activities be fairly and equitably represented within the budget? Will most of the department's research and development funds be spent exclusively on studies on wheat, barley or corn with hardly any going to the dairy industry or maple syrup?

For all these reasons, I think that the department should listen, that the government should listen carefully to my hon. colleague from Malpeque and adopt this amendment to Bill C-49. I am convinced that studying this annual report will enable farm organization officials to identify future trends and could prove a most interesting forecasting tool for their members.

Therefore, my hon. colleague, who chairs the agriculture joint committee with me, can count on the support of the Bloc Québécois on his amendment.

*[English]*

**Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.):** Mr. Speaker, I rise today to give my full support to the amendment put forward by the hon. member for Malpeque. When I first saw Bill C-49, that clause was certainly one of my big concerns.

Since we Reformers have come to Ottawa, we have talked a lot about accountability. Any move away from accountability would in my opinion be a mistake.

If you look at the costs of annual reports, certainly there is some increased cost. However any time you have the opportunity to hold any department, minister or any government for that matter accountable, as members of the House we should take that opportunity. We have discussed this among ourselves at the committee level. It is an amendment that we are pleased to support at this time.

(1220)

**Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.):** Mr. Speaker, I would like to make a few comments on the amendment of the member for Malpeque.

First, to be very clear, I do not feel that the amendment is necessary. We certainly accept and understand the concerns of the member. I understand the concerns of members opposite. There is no question that in part III of the main estimates all of this is done.

The Financial Administration Act requires that Parliament authorize all payments out of the consolidated revenue fund. If Parliament is not satisfied with the information that is provided to support the spending estimates of departments, it can refuse to appropriate funds on request. This gives Parliament effective control over public spending and information used to justify that spending.

As we know the standing committee has a major impact on the information provided in part III of the main estimates which for all departments has replaced annual reports.

We must remember that the soonest annual reports come out after the completion of a fiscal year is eight to ten months. The legislation requires them and it is eight to ten months after the fact. By that time the estimates are also in progress. The estimates include everything that has always been in an annual report. I think the challenge for the committees, whether it be agriculture or other standing committees, is to do a better job and better understand the main estimates when they are discussed. After reading part III of the main estimates, we have a chance to talk about what has happened, what the estimates are for this year and what is the direction for years to come.

The member for Frontenac said that organizations in the province of Quebec have an annual report. I do not question that they have an annual report. However, I question whether they



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have main estimates and the progression of a document like that available to us here.

The question is whether it is necessary to retain a reference to the reporting requirement and when it would not be feasible. It would not be feasible to legislate under an annual report. If what is in an annual report is legislated, every time somebody wanted to change the types of things that were in an annual report there would have to be changes in legislation. That is certainly not feasible and not in the interests of time when we already have all of this available.

I think we have an opportunity here to do an even better job than has been done in the past. We can do it and save money and avoid duplication.

I recommend that we leave the bill as it is and suggest that the amendment of my hon. colleague is not necessary.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, I would like to make a few comments on the difference of opinion between the parliamentary secretary and the hon. member for Malpeque. In this case I clearly support the hon. member for Malpeque. He is looking for more accountability from the government. I do not believe that anybody in the House should be opposed to that.

In terms of what the parliamentary secretary said with regard to part III of the estimates providing all the information that is necessary to make the government accountable, I disagree fully with that. I challenge any member on the other side of the House to sit with me and answer my questions about part III of the estimates, especially when it comes to connecting part III of the estimates with part II. There is a big gap there. You cannot make the connection with the information that is given.

(1225)

I challenge any of those members to answer the questions I put to them with regard to connecting part II and part III of the estimates. I believe that the parliamentary secretary and the party opposite should allow this amendment to go ahead. It will improve accountability. The argument of the parliamentary secretary that these reports are not available for eight to ten months, or have not been in the past, does not carry any weight with me.

If they have not been done quickly enough in the past let us change the rules. Let us make the report available at the same time as the estimates, very quickly. I would hope the report would be much more complete than reports have been in the past. I would hope it would include enough information to make that connection between part II and part III of the estimates so that we in the House and people across the country can truly

understand how the department is spending the money. Now it is certainly unclear no matter how much study you do in this area.

I strongly support the hon. member for Malpeque in his amendment. I hope the government will not refuse the accountability we need in this House.

[Translation]

**Mr. Jean Landry (Lotbinière, BQ):** Mr. Speaker, I too am pleased to give my opinion on the Standing Committee on Agriculture, in view of the amendment proposed by the hon. member for Malpeque.

Just a moment ago, it was pointed out that organizations, too, prepare estimates, and that they also must give an annual accounting. I would point out that the vast machinery of government includes committees, such as the Standing Committee on Agriculture, and that it is very important that this committee submit a report to members of Parliament once a year so that farm producers can see where the money has been spent.

I am wondering if the parliamentary secretary is afraid of transparency. I say give us all the facts so that we may examine them and understand them. I agree that an annual report should be tabled here in Parliament, because this is where decisions originate, and as Members of Parliament we have the right to an annual report.

[English]

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I think it is fair that the hon. member for Malpeque is putting this amendment before the House. He has sought to draw attention to a very significant problem that he perceives in the legislation.

I want to say at the outset that the notion of accountability to Parliament is one that is central to everyone's thinking in this House and rightly so. It is a very important concept and a very important principle that ought to be upheld on all occasions.

I want to draw on the following experience if the member opposite will not take it in an insulting way. I do not intend it that way. Since my election in 1988 there has been a change in the reporting requirements for various departments to Parliament.

These changes were implemented by the last government. As the hon. member knows, I opposed most of its policies. In the case of the changes with respect to the annual reports I was supportive. The reason was because in my view they were a waste of the taxpayers' dollars.

Parliament was receiving in part III of the estimates not just spending plans but detailed reports on the way the department was spending the money that it had to account for during the past year.

I cannot speak for the Department of Agriculture and Agri-Food because I do not pretend to have read part III of the estimates for the department of agriculture. Most of the de-

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partments deliberately beefed up or improved their part IIIs. The hon. Parliamentary Secretary for the Minister of Agriculture and Agri-Food tells me that agriculture led the way. Great. I am unfamiliar with those particular estimates. Most of them and the ones that I dealt with beefed up their part IIIs to make them better so there was full accounting given in part III of the estimates. Therefore the necessity for an annual report simply disappeared.

Annual reports, interesting as they may be and impressive as they may look with lots of glossy pictures of the minister handing out money or congratulating some group, as many of them used to do, had their place but frankly they were expensive. It cost a great deal to produce and to print them. The previous government eliminated them by order in council for those departments that did not have a statutory requirement to produce an annual report to Parliament.

(1230)

In the case of the agriculture department, the requirement was in the statute. We are seeking in the amendments today, not the amendment moved by the hon. member but in the amendments to the act, to delete the requirement that the department provide an annual report to Parliament. Most other departments have eliminated that requirement. All we are doing is bringing agriculture in line with the other departments by this bill.

Given that, it is reasonable to propose to Parliament that we are providing the information in part III so why reprint it in a different format and pay people to redraft it and reprint at public expense for no good reason. The information is in part III. Parliament gets the information when the estimates are tabled annually and we have to approve those estimates in committee and in the House.

Therefore members get an opportunity to review the draft. They can see the part IIIs. There is a draft supply bill where they can move amendments and so on. I know hon. members may argue that perhaps our control over supply is not what it could be, but that is a separate argument for another day. The fact is the material is being provided to Parliament in the part IIIs. If there are specific inadequacies in those part IIIs the information can be elicited in committee. The agriculture committee has the power to call witnesses before it from the department at will, including the minister, and demand additional information.

The intent of the amendment to uphold the integrity of the House and its primacy in terms of reporting requirements for departments is a good one. Frankly however I think it is unnecessary for the reasons given by the parliamentary secretary in his very able argument and because of what I believe to have been the experience members who have been here a little longer have had. That is we have not lost the accountability

process or diminished it in any way by relying on part IIIs instead of on annual reports.

I invite members to consider that as we come to a vote on this matter. I would ask when the question is put that it be negatived on division. I believe you will find there is agreement that that be so.

*[Translation]*

**Mr. Jean-Paul Marchand (Québec-Est, BQ):** Mr. Speaker, I, too, would like to support the hon. member's motion calling for the annual report on agriculture to be submitted to Parliament. I think that this practice is totally appropriate and should be maintained.

Of course, part III of the Estimates on agriculture may contain data which is repeated in the annual report, but the information in the annual report is more detailed and more accessible to the people concerned by agricultural issues. It is an additional tool available to those who wish to know more about economic agricultural issues.

So I think it is quite appropriate to continue publishing the annual report, especially for this department with rather significant expenditures. This desire to stop issuing the annual report on agriculture reminds me of how reluctant this Liberal government is to show openness. An example of this can be found in the Department of Public Works where it is very difficult to access information. Of course, the minister will tell us that the information exists, that it is published somewhere, but it is very difficult to access it.

I also fear that this desire to stop publishing the Department of Agriculture's annual report is somewhat consistent with this government's lack of openness. I think that all the actions taken by the government to make information more accessible to the general public and the stakeholders must not be seen as a waste of money.

In conclusion, I think that the government should continue publishing its annual report on the Department of Agriculture.

*[English]*

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I have been listening to the debate with some interest, particularly the hon. parliamentary secretary to the government House leader's rather lengthy argument against the need for more accountability in this House.

(1235)

He mentioned there were a number of new members in the House and perhaps their lack of experience was the reason they might support more accountability. I assure you that for those of us who are new to the House, we have found the review of the estimates to be a very frustrating process. Of course, very little

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occurs out of the review of the estimates. Anyway, if changes do occur in committee it is all reverted when it comes back to the House and the government has its way.

Another concern is that while the estimates are being reviewed by committee that issue is not open for debate in the Chamber itself. However, a report could actually be tabled much earlier and could give us more time to prepare for the estimates. If a report is tabled it certainly is open for debate and may hold the government more accountable for the actions of that department.

I hope that in light of the communication members of the Liberal Party sent to Canadians through their red book that they wanted to open this place up, make it more accountable and rebuild the trust with Canadians that they will support any measure which will make us the elected representatives of the people more accountable to them. I support the amendment moved by the hon. member for Malpeque.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I too would like to speak in support of this amendment.

The amendment by the hon. member for Malpeque speaks to something Canadians find increasingly frustrating in dealing with governments. It is this idea of a lack of accountability or the lack of the proper procedure. All members have a huge volume of estimate literature in their offices which, except perhaps for the people who wrote the documents, is hard to understand.

The motion is straightforward. It is a very sound idea which has a good deal of common sense. It just asks that a report be filed from the department to address the very concerns people have about the estimates and the fact that they are so difficult to understand.

At the Reform Party convention this past weekend we passed a motion that we would like the government also to follow up on this whole idea of a standardized accounting practice as recommended by the Auditor General. That would make this whole effort more understandable in its entirety. As a first step, this amendment is plausible, very realistic. It should receive support from all sides of the House.

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

**Some hon. members:** Question.

[*Translation*]

**Mr. Chrétien (Frontenac, BQ):** Mr. Speaker, if I may, I would like a recorded vote on this motion to amend Bill C-49.

[*English*]

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Kilger):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Kilger):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Kilger):** In my opinion the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

(1240)

We will now proceed to the amendment by the member for Moose Jaw—Lake Centre. The amendment has been ruled in order. I would ask the member to read his amendment.

**Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.):** Mr. Speaker, I rise today to place an amendment before the House regarding Bill C-49, an act to amend the Department of Agriculture Act and to amend or repeal certain other acts. I move:

Motion No. 2

That clause 6 be amended by striking out line 17 on page 2 and substituting the following:

“any inspection powers, duties or functions”.

This amendment is necessary for a very simple but important reason. The bill must clearly indicate in layman's terms what the inspection powers of the Minister of Agriculture and Agri-Food really are. Clause 6 now reads:

The minister may designate any person as an inspector for the purpose of providing the inspection services that the minister considers necessary for the enforcement of any act in respect of which the minister has any powers, duties or functions.

The problem I have with this particular wording is that there is a potential conflict between the intent and the interpretation of the clause. As it stands it could be interpreted to give the minister the power to appoint inspectors for the enforcement of any act for which he is responsible. The wording is not precise or exacting enough to limit the appointment of inspectors by the minister to those acts which already have inspection clauses in them. I know this is the intent of the clause and this has been explained to us by the minister's officials.

However, the open ended and loose wording gives rise to another possible interpretation which follows. I believe there are some 35 acts under the minister's jurisdiction right now. Some have asked me if this clause gives the power to the minister to appoint inspectors at his whim and fancy for all of those acts. If so it is hard to visualize any support for this clause. We do not need or want the minister to have such powers. We already have officials in our society who are responsible to

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enforce regulations, laws, standards and to provide inspection services.

Therefore the intent and the interpretation of the clause could and should be harmonized, in my view, for the satisfaction of both legal minds and lay people. I suggest that my amendment would accomplish this.

All I am asking is that we put the word inspection into the clause one more time. My amendment to clause 6 has been carefully stated in the House. This amended wording makes sense because it clarifies what the intent of the clause is and eliminates any possibility, in my mind at least, of potential expansion of the minister's powers to appoint inspectors to any act under his jurisdiction. Such appointments would be needless, redundant and dangerous.

I therefore ask the House for its support of this amendment.

**Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.):** Mr. Speaker, I would like to make a few comments on the hon. member's amendment to clause 6 of Bill C-49.

The minister already has the power to designate inspectors under other legislation the minister administers. This change, taken in conjunction with clause 18 in Bill C-49, merely allows the minister to designate inspectors under the Food and Drugs Act. The Minister of Health can also appoint inspectors as well as the Minister of Industry with whom the Minister of Agriculture and Agri-Food shares the responsibility for the administration of the Food and Drugs Act.

The authority to inspect comes from individual acts, not from the minister. That is what we need to point out here. The amendment gets very restrictive and does not state what it is possible to do under the act. The minister can appoint an inspector. The minister cannot be as specific and restrictive as this amendment states. The authority to inspect comes in the individual acts that the Minister of Agriculture and Agri-Food administers, such as the Food and Drugs Act, the Meat Inspection Act, the Canadian Agriculture Products Act. The inspection powers that are given to the minister must be done in general terms in order to ensure that it applies to the inspection provisions of such acts as the Food and Drugs Act.

(1245)

I must remind the members that if it is made this restrictive it can be costly, it can be absolutely too restrictive. An inspector's duties are outlined in other acts and we must remember that inspectors have many more duties than inspect because they might have to make recommendations and determinations on what further action goes on from there.

We must be very careful that we do not tie the activities of inspectors or the activities of the minister. The bill allows the

minister appointments through other acts which give the inspectors their jurisdictions and their activities from there.

[*Translation*]

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** Mr. Speaker, clause 6 of Bill C-49 has only six lines. If you allow me, I shall read them:

6. The minister may designate any person as an inspector for the purpose of providing the inspection services that the minister considers necessary for the enforcement of any act in respect of which the minister has any powers, duties or functions.

What my Reform Party colleague is asking the Joint Committee on Agriculture and, in fact, what he is suggesting is pretty much the same, except that instead of any powers, duties or functions, it specifies inspection powers, duties or functions. The Bloc Québécois cannot oppose that because it specifies the role of inspectors and their powers and duties, as well as the amount of leeway they will have in the performance of their duties. In closing, the only thing I would wish is to avoid duplication, like sending two inspectors to check more or less the same thing, as we can see now in the Department of Agriculture or other similar departments.

So I can assure my colleague in the Reform Party that for the good of agriculture, the Bloc Québécois will support the Reform Party's amendment.

[*English*]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I would like to speak in support of the amendment to the bill by my hon. colleague, the member for Moose Jaw—Lake Centre. It only makes common sense that we clarify what is the role of the inspectors in relation to their being appointed and given a task by the minister of agriculture. That only makes sense.

My argument was reinforced by the hon. parliamentary secretary for the minister of agriculture who indicated that in other pieces of legislation, other acts, these powers are already specified.

Why should they not be specified in this act as well? It only makes sense. It is logical. It harmonizes with existing legislation that is already in place. The disconcerting part of it is that if we pass such a broadly worded clause in this act it may apply to future acts in which the minister has no business appointing any inspectors to deal and meddle around in the affairs of producers.

I am really concerned about the open endedness of this act. I am also concerned that the department of agriculture is already rather large, perhaps one bureaucrat to every three to five producers who are out there working. It looks to me like perhaps this is a make work project for more inspectors where they are perhaps not needed, crossing from one act to another.

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It only makes sense. I would appeal to the government to respect the wisdom that comes from this side of the House and let us not make a fuss, let us simply adopt a good common sense amendment to the bill.

(1250)

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, I would like to make a very brief comment in support of my colleague's amendment to this piece of legislation and I would really like to express a concern that I have with regard to the government's resistance to accountability and its resistance to clarification in this act.

I am really upset that it is not willing to accept better accountability and in the case of this amendment clarification which is clearly justified and which the parliamentary secretary has said is there in other acts. I hope this amendment will be accepted by those on both sides of the House.

*[Translation]*

**Mr. Jean Landry (Lotbinière, BQ):** Mr. Speaker, I want to thank you as well as the hon. member. I have to say that I appreciate it when things are clear and precise, and I think that the amendment tabled by the Reform Party will help us have a better idea of what is involved and, consequently, help us review and manage more efficiently. Therefore, I think this is a very good amendment and I will support it.

*[English]*

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, again it is a pleasure to rise on debate and for a change it seems we have a real debate in the House. We have reasoned proposals, in this case from both sides of the House. We get to debate back and forth with a give and take that I had hoped would be more common in the House of Commons. It has been a good exercise and I hope the government is listening attentively.

We should realize the intent of this amendment is to clarify and to specify the powers that the minister would have. It is not an effort to take away or make the minister ineffective. It is only an effort to clarify the powers that he would have.

I would like to point out the necessity of this. We think back even just a few weeks ago of a case where a producer had his records seized. Someone came right into his home, seized his records and used what in essence was another department or another agency as an excuse to enter someone's home, confiscate their records on the chance there might be something in there and really indirectly get at a producer who is trying to get some work done, get some sales done.

Whenever we have inspection services or other intrusive government policies, some of which we all admit are necessary, they need to be very specific because if they are not they can be

used in a roundabout way to affect producers in a negative fashion.

I would hope that the government and the members on the government side would realize that this amendment is not an effort to take away all the powers of the minister. It is merely an effort to specify those powers so that producers, people within the department of agriculture covered by these 35 acts that were spoken of earlier will all know what those powers are. I would support this motion. I think it is an excellent one and I have enjoyed the debate. I hope the government side has been listening closely.

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

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**An hon. member:** On division.

(1255)

**The Acting Speaker (Mr. Kilger):** Order. The Chair wants to be perfectly clear that the motion is agreed to on division.

**Mr. Boudria:** Defeated on division.

**The Acting Speaker (Mr. Kilger):** Defeated on division. The hon. government whip is very alert after this one week of recess.

(Motion No. 2 negatived.)

Is the House ready to proceed to the deferred division?

**Some hon. members:** No.

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. In an effort of co-operation I wonder if the House would agree to deem the first motion to have been negatived on division as well, notwithstanding the request of earlier this day.

**The Acting Speaker (Mr. Kilger):** I will ask the opposite side of the House to give its own indication as to whether it accepts the proposal of the hon. government whip or wants the deferred division to be taken at a later time.

*[Translation]*

**Mr. Duceppe:** Mr. Speaker, I think we can defer the division until tomorrow. I propose that the division be deferred until tomorrow; however, there is no going back to the decision made a little earlier during the day.

*[English]*

**The Acting Speaker (Mr. Kilger):** The vote will be deferred until tomorrow. Is it agreed?

**Some hon. members:** Agreed.

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**The Acting Speaker (Mr. Kilger):** That is to the amendment by the member for Malpeque. The motion will be deferred until tomorrow.

**Mr. Boudria:** Mr. Speaker, if we are not proceeding to the bells at this moment, I have to request a specific time for tomorrow, which I will now do; the vote to be at the ordinary time of adjournment of government orders tomorrow, in other words approximately 5.30 p.m.

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

**Some hon. members:** Agreed.

\* \* \*

**DEPARTMENT OF INDUSTRY ACT**

The House resumed from September 26 consideration of the motion that Bill C-46, an act to establish the Department of Industry and to amend and repeal certain other acts, be read the second time and referred to a committee; of the amendment; and of the amendment to the amendment.

**The Acting Speaker (Mr. Kilger):** When Bill C-46 was last before the House, the hon. member for Bonaventure—Îles-de-la-Madeleine had 10 minutes remaining in the questions and comments period.

Should anyone wish to direct comments or ask questions to the hon. parliamentary secretary, he is in the House. If not we will resume debate.

[*Translation*]

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, I want to discuss the amendment to the amendment tabled by the hon. member for Edmonton Northwest and say that I oppose it. This new amendment nullifies the amendment proposed by the Bloc Québécois member for Trois-Rivières to oppose second reading of this bill in order to emphasize the provinces' exclusive jurisdiction regarding regional development.

As we have said many times, duplication and overlapping within the federal administration as well as between the two levels of government result in useless and costly spending for Canadian and Quebec taxpayers. We seriously doubt that this bill will reduce this waste since the main principles underlying this legislation aim at maintaining the status quo between the respective mandates of the various departments, while regrouping them.

If we go through the exercise of creating a new department, then why not ensure unity and harmony among the various measures taken by this new department, so as to make them more efficient and cost effective. We are under the impression that this exercise is only done for cosmetic reasons and that there is no will to make true changes.

During the election campaign, the Liberal government bragged about implementing a single-window concept to improve its services and to reduce waste in the public service. The

government had a unique opportunity to restructure its various departments, make savings in the process, and keep the largest possible number of civil servants to provide a better service to its clientele. Now, this government will have to demonstrate that such a structure does indeed result in savings.

For example, in this context, an information centre for businesses has been set up in Montreal. This centre will of course improve customer services, but was there not already a provincial structure which could have agreed to give the business community in Quebec relevant information without any duplication? We are once again creating a parallel structure and we doubt whether this will generate any savings within the federal government machinery.

(1300)

If we want to rationalize government expenditures, we must review our structures within the context of all existing tools provided for by the provinces and target only areas of federal jurisdiction. In my opinion, the Auditor General of Canada would be the very person to make suggestions since, year after year, he has been highlighting changes that could be made in some of the departments in order that public funds be spent more efficiently.

I believe we are entitled to require that any further restructuring of the federal machinery proposed by the Liberal government here in this House results in savings for Canadians and Quebecers.

As Bill C-46 also extends the powers of the Minister to regional development areas, I would like to take this opportunity to touch on a point of crucial importance in my view. As Bloc Québécois critic for regional development, Western Quebec, I object to Bill C-46 as it reads now because it contains no provision that would put an end to duplication and overlapping in regional development and allow Quebec and Ontario to take full and exclusive responsibility for their own regional economic development.

First, why is Ontario and Quebec development not governed by a specific bill such as the one on the Department of Western Economic Diversification or the Atlantic Canada Opportunities Agency?

If the Federal Office of Regional Development for Quebec were to be established pursuant to specific legislation, it would be easier to see the powers, duties and functions of the minister in charge and the related objectives.

Regional development agencies were a way for the federal government to compensate for the effects of uneven economic growth in various areas of the country, while it looked at improving the most competitive sectors or strengthening the most efficient, in particular those focused on export markets. In many cases the program was solely a band-aid solution for areas with non-performing economies. In short, the regional development program was designed to limit damage in remote areas

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where investment was scarce or to try to generate new growth dynamics.

Part II of the bill contains nice and sound objectives that the minister should achieve, as we can see on page 4:

(a) promote economic development in areas of Ontario and Quebec where low incomes and slow economic growth are prevalent or where opportunities for productive employment are inadequate;

(b) emphasize long-term economic development and sustainable employment and income creation; and

(c) focus on small and medium-sized enterprises and the development and enhancement of entrepreneurial talent.

I think that it would be an achievement if, over the next ten years, the Federal Office of Regional Development which, under this bill, is to come under the authority of the Minister of Industry were to reach and maintain these objectives in our regions. The truth is they were never really achieved efficiently and the effectiveness of the program has been declining in the last few years. For example, regions like mine are short of investment money, the main tool to influence the development in a given area. It is important to make available enough money to provide investors and business people with the necessary levers.

With reduced budgets—which will be further reduced with the new reform—and a decision-making structure that does not permit the targeting of priorities defined by the regions, how can the FORD(Q) be taken seriously?

Second, why is the minister not taking the opportunity to include in the bill the will to harmonize his regional development programs with those of the provinces? In Quebec, policies aimed at shifting decision-making powers to regional development councils, which were initiated under the Liberal government and pursued by the Quebec Premier, Mr. Parizeau, who recently announced the appointment of regional delegates with a mandate to receive the regions' specific requests, are examples of how research, and awareness of grassroots concerns can lead to greater efficiency and better use of the money still available.

(1305)

People in the regions know full well that the federal and provincial governments have no money to waste. Therefore, the desire on the part of the minister to harmonize his programs with those of the provinces would be for him a step toward making every development dollar count and, eventually, to realize that numbers show that the best way would be to transfer these sums to the provinces, thus eliminating duplication and overlapping.

Depending on where they live, Quebecers have a different vision of what regional development should be.

Whenever decision-makers and entrepreneurs are able to channel their efforts in the same direction, they achieve great success. The Beauce area is often given as an example of this. This area has benefited from the presence of risk-taking entrepreneurs and from a lot of investments. Not all regions have access to the same amount of capital to allow developers to stimulate the economy. The situation in my riding illustrates perfectly how financial needs can vary.

The main economic activities in the riding of Abitibi are forestry and mining. In the forestry area, while saw-mills, paper mills and finished products industries are keeping up with the new technology and are able to finance it, reforestation and tree-growing companies are having a hard time and would deserve to be helped.

All these businesses are interconnected and must co-ordinate their activities if they are to develop harmoniously. There are the big companies which, tomorrow, will need the timber which the forestry industry has had to grow and develop at an increasingly quicker pace as the industry unfortunately has to cope with an extremely meager timber stock. Forest management, needless to say, was not always a priority in the past.

I think this shows that regional development is not easy if priorities are not in line with the region's economy.

Another example of regional development, which concerns my own riding and probably many ridings in Northern Ontario and this applies to my previous example as well—is developing the mining industry.

Mining is, in fact, restricted to certain regions in Quebec and Ontario, so that regional development in this sector follows the same pattern. It is said, for instance, that mining and forestry are specific to the northern regions of Quebec and Ontario. These industries give a very good return on investment, but the problem is that exploration requires vast amounts of capital.

My point is that regional development in my riding could focus on the mining industry, for instance, but to be successful, there would have to be a consensus among the parties concerned, to ensure that sufficient financial resources are available.

Finally, to prove my point that action must be focussed and that the provinces should be responsible for regional development, I would like to read what former Quebec Premier Jean Lesage had to say here in Ottawa at the federal-provincial conference from July 19 to 22, 1965. That was quite a few years ago.

Mr. Lesage said that to be effective, regional development policies had to meet three conditions: be adapted to the specific needs of the regions; be implemented by the government in the best position to do so; and reflect the general economic and social policy of the government of the province where the regions are located. Adapting such policies to Quebec's regional needs would seem difficult to achieve at the federal level.

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This was 1965, and things may not have changed much since then.

Mr. Lesage also said that the Government of Quebec was in the best position—I may recall this was said by a Liberal Premier—to implement a truly effective regional policy.

**Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.):** Mr. Speaker, I have listened with great interest to the speech of the hon. member, who once again dismisses the achievements of the Government of Canada with respect to regional economic development. No amounts were given, no reference made to what has been done in his sector.

When I hear the mining industry mentioned, I ask myself how many millions Noranda, to take an example, has received from the federal government in regional development incentives.

(1310)

Forestry also comes to mind, companies like Tembeck, Stone Consolidated, Abitibi Price. We could also mention the famous 33 per cent investment tax credit given to companies who invest in the regions. You invest \$10 million and the government of Canada gives you a 33 per cent tax break. This is taxpayers' money being used to encourage regional economic development that the opposition unfortunately refuses to recognize.

I can give you an example. I have just come from Îles-de-la-Madeleine, where there is a company called Les entreprises Léo A. Leblanc in which the Federal Office of Regional Development has invested \$79,600. This is a grant, not a loan. It must be pointed out, however, that thanks to the intervention of the Canadian government, a new job-creation project has come to fruition, that will see this company's activities focus on the export market. Now, the company is even taking small vessels from New Brunswick and Nova Scotia for repair in Îles-de-la-Madeleine. In fact, the company owner told me that, because of the investment by the government of Canada in this project, he has been able to expand.

I could mention all sorts of projects. There is, of course, the off-set program for fishermen and factory workers, whereby the government of Canada is going to invest close to \$5 million in new fishing technologies, including aquaculture.

There is also the last report, the Eastern Quebec Forestry Development Program. Forgive me, I realize that I am not supposed to show documents as part of a debate. Nevertheless, the government aided forestry workers in 1983 and has continued to do so to this day, although the program is currently under review. But I dare the opposition to find one of the 6,000 affected workers to speak out against the federal investment program for reforestation and providing support to forestry

professionals in either construction start or silviculture. I would say that the government of Canada has taken its responsibilities.

In fact, more and more of these forestry workers are asking that the federal government remain involved. Apparently, this would be the only program suited to forestry workers. No one has come out and said that the government of Canada should back out of its responsibilities. The federal government is here. We are there for these 6,000 workers.

There is also the Federal Business Development Bank. On the subject of Quebec institutions, did you know that we have the Caisse populaire Desjardins in the Gaspé Peninsula, with a \$500 million reserve made up of the savings of the Gaspé people, but very little of this money is actually invested back in the community. So, it is thanks to loan guarantees given by the government of Canada that financial institutions like this one re-invest in the community.

I think that, instead of telling stories of overlapping, the hon. member should review the matter thoroughly, looking at every investment we have made these past few years. Take my word for it, Mr. Speaker, we have the federal investments to thank, because this government listens to the community and decided to invest not only in these particular industries but also in the future of the regions.

This government's objective—and my reason for representing the riding of Bonaventure—Îles-de-la-Madeleine here, as the only government member east of Trois-Rivières—is to maintain a federal presence because this presence is welcome and indeed desirable in terms of regional economic development.

**Mr. Deshaies:** Mr. Speaker, I thank the hon. member for making a few points I may have omitted, but I would like to point out that my remarks apply to the new Bill C-46, through which the Department of Industry will take over, so to speak, the Federal Office of Regional Development. I said in my little speech that I would have liked the bill to contain clauses underscoring the advantages of letting each province, Ontario and Quebec in particular in this case, choose where and how to invest federal government funds.

(1315)

It is true that in the past, the work done by the Federal Office of Regional Development was highly regarded in various regions including mine, but when the hon. member indicates that the forestry people were very happy with the federal government's role in reforestation efforts, I would like to say that my region benefited very little from this project.

We hear that, with the upcoming cutbacks, the Federal Office will not inject any more money into private industries. The new policies do not provide any money for the tourism industry for one thing. I wonder how the amounts will be set to help a region like mine when it needs money precisely for forestry, while forest resources are already scarce. If we do not have enough money for tourist facilities—and we are told this is not a



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government priority—how can we help my region—and not the Lac-Saint-Jean region where they may not need as much money for tourism because they already have good facilities? How can we address specific needs when the government sets priorities for us?

The federal government's goal is to help the regions but this approach, instead of showing good will, simply hampers development. I do not know whether I should say something else on this subject for the hon. member's benefit, but I think that if this bill had let the provinces and especially the regions choose how to achieve their own development, I think we would have been much more likely to support this bill. However, given the bill's current wording, because it does not say anything about the need to adapt to specific regional needs, as Mr. Lesage used to say, I think that we cannot support it.

[English]

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, when I hear the member from the official opposition describe his riding, it sounds very similar to mine in British Columbia.

In lieu of the previous speaker's comments regarding regional programs being run by the provinces and his stated view that that was the way to go, can the hon. member please explain why the Bloc amendment is specific to Quebec as opposed to being applicable to all of the provinces in Canada?

[Translation]

**Mr. Deshaies:** Mr. Speaker, I would like to answer this question as well as I can. Instead of limiting my colleague's amendment to Quebec, it could be limited to Quebec and Ontario, since in Bill C-46, the Federal Office of Regional Development applies only to Ontario and Quebec.

Also in your question, you said that your riding was like mine.

**The Acting Speaker (Mr. Kilger):** Order, please. I just want to remind you to address your comments and statements to the Chair and not directly to each other.

**Mr. Deshaies:** Mr. Speaker, I apologize. I would like to point out to the Chair that the hon. member asked me why the Bloc Quebecois's amendment was limited to Quebec when it could have applied to Ontario as well and even to all the provinces of Canada.

Why? Because Bill C-46 is applied by the Federal Office of Regional Development only in Quebec and Ontario. Also, I would like to say to the hon. member, who lives in a region like mine, that they may be better served if they have a different development agency covered by a different law. The development projects in his riding may be better run; in my riding, the

Federal Office of Regional Development has some good initiatives, of course, but through Bill C-46, we want the Department of Industry to decentralize and blend its ideas with those of the provincial agency, especially for regional initiatives, to make better use of the money invested.

(1320)

[English]

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, it is a pleasure to contribute to second reading debate on Bill C-46, an act to establish the Department of Industry.

The bill will establish in law the new Department of Industry that was created in June 1993 by the former administration. While always a powerful ministry historically run by a powerful minister, this new Department of Industry is an amalgamation of the former Department of Industry, Science and Technology Canada, the former Department of Consumer and Corporate Affairs, the telecommunication side of the Department of Communications and Investment Canada.

The Reform Party has two major objections, beginning with clause 13(1), part I, of the bill. This clause gives the minister full rein over shaping industries to suit special needs of certain industrial or commercial establishments, organizations or persons who are members of a particular category of persons defined by order of the governor in council. I will develop our concerns regarding this issue a little later.

Our second area of concern surrounds part II of the legislation, regional economic development in Ontario and Quebec. The bill places responsibility for Quebec and Ontario under the Minister of Industry. This should be interesting. Would I like to be at the cabinet table listening to deliberations?

In any event before I focus more directly on these two major concerns with the legislation I would like to put this exercise of departmental chair shuffling into an historical framework. I think this is a worthwhile exercise in view of this latest attempt via Bill C-46 to bring some continuity and focus to the disparate nature of this department, in particular its responsibilities, focus and scope of activity.

The industry responsibilities within the Canadian government really date back, for the sake of our examination, to the late C.D. Howe and the department of trade and commerce and its main operating division of the department of defence production. Those were the days of the dollar a year people, the C.D. Howe recruitments who kept Canada's materiel infrastructure running during World War II. C.D. was a powerful minister who ran a clearly powerful department with tentacles of influence, not only during World War II but up until the 1960s in many other departments.

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The department of trade and commerce not only held sway in Ottawa but also controlled the regional development side. By the 1960s the industrial and commercial dynamics were changing in Canada and the beginning of constant change in the industry portfolio was taking hold.

In the early 1960s the government created the Department of Industry. The then deputy minister, Simon Reisman, began recruiting advocates for industry from the business community. Some of these business people were competent, some were not as we hear. Terrible infighting ensued between these new young business types in the existing career civil service within the department. The department meandered around looking for stability, purpose and reason for approximately eight years.

In 1968 because of this constant bickering over what the focus should be, either an advocate for business or a policy maker, the then administration created the Department of Industry, Trade and Commerce. The operative word and function in this new arrangement was obviously the inclusion of trade in this new dynamic. Now we have the career commerce people, the business advocates from industry and the traders. This is quite an arrangement of personalities, agendas and egos.

(1325)

In most of the disagreements that ensued over what the department was supposed to do, the industry advocates usually won. However, another merger was on the horizon. That was the advent of DREE. In the early seventies the department of regional economic expansion became a hotbed of politics, largesse, monument building and subsequent turf wars.

This new department focused on regional development first in the Atlantic provinces, soon after in Quebec and slowly through Ontario and as far west as Saskatchewan. That is where the DREE gravy train stopped. Alberta and B.C. were considered too rich to participate in these economic expansion schemes. The politicians representing those two provinces had no clout in the Commons or at the cabinet table.

Two interesting twists within DREE were two programs, ARDA and special ARDA. The former ARDA, agricultural and rural development agency, dealt with regional development opportunities and special ARDA was responsible for native economic development opportunities and employment initiatives.

To many, DREE was more than a series of questionable funding projects, from Michelin Corp. in Nova Scotia to Bricklin Inc. cars and Mitel switching equipment, all funded by DREE. Again turf wars ensued but the money flowed like water to the project of the month.

After the DREE period we had another merger. This new department known as DRIE, the department of regional indus-

trial expansion, again had lots of money to throw around mostly through a program known as the industrial research development program. At the same time the trade component was moved to external affairs to complicate it more. It was a time of good old style patronage with a tinge of legitimate cutting edge technological development.

Some time in the mid to late 1980s, with the science envelope evoking worldwide opportunities, the department was renamed industry, science and technology. At this time the agriculture, fish and food component was transferred to Agriculture Canada.

The department was becoming fragmented, faced with constant change and constantly eroding capabilities. Forces were scattered and the usual turf wars continued. In the wisdom of the former administration, another change was made and the government created the department of industry. That is why we are here today continuing the revolving door instability and constant quest for change in the hope of getting it right.

We have come full circle and returned to the early paragraphs of my address.

I would like to focus now on our objections to Bill C-46. Let me look first at the always troublesome regional development side. Bill C-46 clearly indicates that the minister will look after Ontario and Quebec. Currently no one is sure who looks after Ontario, but make no mistake about it. The Minister of Finance, not industry, looks after Quebec at this time.

We have no problem with the Minister of Industry assuming responsibility for Quebec and Ontario, but what about the rest of Canada? This bill continues the balkanization of the rest of the country. The squeaking wheel continues to get the grease. I wonder which of the three ministers responsible for regional development really holds the grease: the Minister of Human Resources Development for the Western Diversification Office, the Minister of Public Works and Government Services for ACOA, the Allan MacEachen of the 1990s, or the Minister of Industry now responsible for Quebec and Ontario.

(1330)

What a mess: a department for Ontario and Quebec, a department for the west in WDO, and a corporation acting like a department at ACOA. It may not be a department for the minister of public works at ACOA but I am told that the minister of public works will expunge the name Allan MacEachen from the lexicon of the east coast largesse dictionary. He is on a roll and this mishmash arrangement is sure to cause more regional strife.

The position of the Reform Party on regional development is that it should be eliminated so that all areas of Canada are treated equally. We want to get rid of a system where conflicts rise between ministers who are supposed to choose in the

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interests of the country nationally but choose regionally due to their regional development responsibilities.

The legislation ensures that bias and regionalism continues. In part IV of the bill powers are granted under subclause 13(1) to the Minister of Industry, which could be construed to mean that the minister and the department can engage in central planning of the economy, far beyond the more sensible approach of letting industry choose the equilibrium and letting experts run their own affairs. State run involvement, as subclause 13(1) seems to indicate, is anathema to good business management and we oppose it.

The Reform Party values initiatives and enterprise. We do not see the government role as being responsible for fostering and protecting an environment in which initiative and enterprise can be exercised by individuals and groups.

In most reorganizations and rationalizations in the private sector, which is the real world, business makes these changes to downsize, to save money and to improve profit margins. In the case of government and Bill C-46 we have amalgamated four departments. One could realistically expect staff reductions. From a total of 6,000 employees we will see a reduction of 230 staff members, probably through attrition. What level of public servant are we talking about?

Another dynamic of rationalization, as I have said, is cost saving. Out of a \$3 billion budget it is estimated that department spending will be reduced by \$26 million or less than 1 per cent. The bill lacks any coherent vision of industrial strategy. It fosters regional economic development initiatives against a backdrop of vague national strategies.

The bill continues the saga of reorganization for the sake of reorganization in a constant quest to get it right. It confirms that the Minister of Industry and the government share a Tory vision of industrial strategy. After all, it is a Tory initiative.

The bill continues the interventionist role of government, the flawed notion that government sets the course and business steers it. Free market principles and fairness for all should be the hallmark of our industrial strategy.

I hear the infighting has already started at the new department. It has even spilled over to the Department of National Resources, whose employees are looking for something to do and are sticking their noses into the new department's business. It is business as usual at the C. D. Howe building. Too bad C. D. Howe is not around.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I could not help but notice that the Reform Party member could find nothing positive in this

piece of legislation. He did not comment on the fact that it was a major effort in streamlining a department of government.

The Reform Party is always talking about making sure we eliminate duplication and making sure we eliminate waste. The reorganization of the department of industry goes a long way toward meeting those objectives.

(1335)

There is absolutely no infighting going on. In fact most people in the department of industry are very excited about the ongoing reorganization. We are especially excited that through the department of industry we will be giving the Federal Business Development Bank added support over the next while, which is something most Reform members support. We have also given the tourism section of the department an added boost.

The member is not being balanced in his remarks when he claims that the reorganization is not meeting any of the objectives. However I am sure in time the member will see that we are on the right path.

**Mr. Duncan:** Mr. Speaker, my view of the bill is obviously very different from that of the member who just spoke. This is a cosmetic, housekeeping bill, and there is nothing substantial in it.

I explained the minor savings associated with the bill. The only thing I can say about the excitement level in these departments is that it is obvious I am talking to different personnel than the member opposite.

**Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, in his earlier comments the hon. member spoke about the lack of an industrial strategy in the bill. I am curious. Does this mean the member believes we should have an industrial strategy for Canada?

The hon. member talked about C. D. Howe and the war period and about how C. D. Howe kept the industrial structures in Canada working. Does he not recognize it was C. D. Howe in co-operation with the private sector, that is the state in co-operation with the private sector, that created the modern Canadian industrial structure which lasted to the 1960s. In fact the state played an important part in that period?

**Mr. Duncan:** Mr. Speaker, as I explained in regard to an industrial strategy, the lead cannot be taken by government at this point because government has proven itself to be incompetent in terms of dealing with spending priorities and with fiscal responsibility.

In terms of relating that point to the C. D. Howe era, we had a balanced budget then. Essentially we had a balanced budget up to 1972. I know there was a period after World War II when we were in a state of tremendous growth and we paid down a lot of debt, but those circumstances are completely alien to where we are now.

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The government is carrying on unsustainable programs, institutions and projects at this time, and this is one of them. It is probably more discretionary to make radical change to this one than to many others which affect transfers to the individuals and so on.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I listened with great interest once again to the contradictory remarks of the hon. member.

In the first instance they are telling us that any federal government intervention in rural areas, which is where I am from, is contradictory to what the Government of Canada should be doing in helping rural areas. However I find it curious that they are trying to bring in a centralized model where all regions of Canada would be treated in the same way. In other words, we should say that the little town of Bonaventure and the little town of Old-Harry on the Madeleine Islands are the same as Bay Street, that they have the same economy as Toronto.

(1340)

They do not seem to recognize the other side. The opposition benches like to pride themselves as representing rural Canada and rural interests, but they want to take rural Canadians and put them in the same boat as urban Canadians. Many members opposite actually represent areas with only one industry: a mining town, a pulp and paper town or a government town. Whereas in other urban areas of Canada such as Vancouver, Toronto and Montreal there are various choices, various industries, a concentration of populations, a concentration of schools and a concentration of services.

We do not have that in the regions. That is why in order to encourage regional economic development the Government of Canada has to make it easier for corporations and companies, which it always likes to defend, to invest more in our areas. It should make sure that there is equitable expenditure across Canada. It should also recognize that rural areas also have taxpayers; they have interests that are important to them. Members opposite should go back to their constituents and ask them if they think the Government of Canada should remove itself from regional economic development. I am sure they are not going to last past the next election.

I go back to my constituency as a rural Quebecer, a rural Canadian, with examples of where the Government of Canada intervened. Thanks to that intervention we managed to create jobs. We managed to create income. We managed to develop the local economy for the benefit of all Canadians and for the benefit of regional areas such as those represented by the Reform Party.

**Mr. Duncan:** Mr. Speaker, yes, indeed I am opposed to regional economic programs, as is our party. I live in and represent a rural riding. The government does not have the

resources to keep DFO offices functioning for an important west coast resource in very remote areas where we need that presence.

The government is taking essential services like light stations and threatening them. For you to be talking about us not supporting rural areas is blatant misrepresentation.

**The Acting Speaker (Mr. Kilger):** I know this is the place of vigorous debate and we even encourage it. However I remind all members to direct their interventions through the Chair and not directly to one another.

**Mr. Duncan:** Mr. Speaker, I apologize. I would like to make a couple of other references to the way these priorities have been placed in jeopardy.

We have an infrastructure program that has been gerrymandered. We have an urban focus. We are building bocce courts in Toronto and swimming pools. At the same time some of our essential rural services are being defunded. This is unacceptable.

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, it gives me great pleasure to rise in my place today to enter the debate on Bill C-46 respecting the establishment of the Department of Industry.

I notice part of the bill deals with the abolition of Investment Canada. I would like to address that point to some extent. Investment Canada in the new establishment will be basically a directorate within the Department of Industry. Investment Canada goes back to the original FIRA or the Foreign Investment Review Agency.

(1345)

Unfortunately over our history Canadians have taken the fast track to economic prosperity. By this I mean we have borrowed capital from outside our borders. In fact, we have even allowed industry to come into our country and take over various sections of our economy. We have done that rather than develop our economy in our own sense. In other words, we have developed the aspect of letting others do it.

The problems which existed with FIRA and go back to the 1970s are really no different today. I question those who are in attendance today. The cars we drive, the televisions we watch and the household appliances we use are either purchased outside of our borders, manufactured outside of our borders or they are made by companies within our borders but which are not headquartered here.

This higher standard of living we have tried to attract has come with a price for all Canadians. There is a greater and greater dependency on foreign capital, much like a drug user who cannot kick the habit. With respect to our governments, 25 per cent of the financing of our federal debt is outside of our borders and 40 per cent of the financing of provincial government debts is outside of our borders.

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This has created a dependency relationship. We are beholden to the people who own and control this money. We have a tendency to service the markets of our creditors. In fact we service the market of our major creditor, the United States, with raw materials and raw resources.

Canada has a trade surplus which is very attractive when one looks at it initially. In reality Canada has a trade surplus with only one country in the world and a trade deficit with almost all other nations. Canada has a trade surplus with the United States and trade deficits, especially with southeast Asia for those television sets and appliances we use every day.

This concept of letting others do it has caused a great retardation of our research and development. Why do I say that? Well why should we have laboratories in Canada? Why should we do research in Canada when there are laboratories south of the border in Seattle and North Carolina? In other words, there seems to be no real desire in Canada to do genuine research and development.

I do not have to tell anyone that statistics on the Canadian economy indicate our research and development is one of the lowest in the world. This has had a tremendous impact on the creation of high paying, high skilled jobs in Canada. The partial result of some of this is that some of our best brains have had to go south in order to utilize their talents. Do we want to continue with this kind of process where our smarter people have to leave?

I do not have to tell you that research and development has a tremendous importance on the new economy. The economy is changing before our very eyes. The world and global economies are changing before our very eyes. Another impact of foreign investment and foreign ownership and control in Canada has been job training.

Canada has one of the poorest records on in house training in the world. I question why this should be. Why is this unique to Canada? I suspect we can trace it back to that original problem, foreign ownership and foreign control. Why train high echelon management type jobs when we already have a set up to do that south of the border? This has worked against the best interests of Canadian workers.

The ultimate price of letting others do it has been that decisions are not made within our borders, decisions that affect our economy on a day to day basis, decisions that affect industry and industry formation. It continues to this day. Directions and suggestions of local managers are routinely overridden by corporate headquarters often located to the south but in other countries as well. This stifles innovation in our economy. It stifles the ability of people to progress in this society. It does not matter whether you are in Quebec or any other part of the country, the story is still the same.

(1350)

This brings us to where we are today. Today the economy is changing. Like the devastation that wrenched Japan in the second world war, or the industrial revolution that swept across Britain, things have changed. We have wiped the slate clear. A new economy is before us. We have changed the way we do business.

The integrated multinational is no longer the productive engine of the economy. Smokestacks in industrial areas in the United States and other countries are slowly going dormant. A whole section of the northern United States is now referred to as the rust belt. These industries are no longer viable. These are industries which for whatever reason are not part of the new technology. States like New York face outward migration; people are actually leaving some of these huge engines of production.

Now is the chance for Canada to regain its ability to make its own decisions. This is an opportunity to actually make a change to the new economy without forfeiting our standard of living. In other words, we have to start being smarter. We have to start doing our own research and development. We are all equals now in the world. Canada has an opportune chance to be part of a new and evolving economy.

The concepts in previous years of why Canada could not be an effective industrial power—which, of course, it is to some extent, but not nearly as much as it could be—has been that we have a huge land mass and a small population base. I do not have to tell you that with the technology before us this is no longer important. All of Canada can be connected in one room through the information highway. In other words, it is possible to service our domestic markets and create industries that will be effective in competing with others throughout the world. We need to grab on to that technology.

We need to service our own markets effectively and also attack those which exist around the world. To do this we need a new partnership with government, business and labour. These three sectors must rethink their traditional roles. Government must be the one which steers. By that I mean it must be an adjudicator of the marketplace. It ensures that competition continues. It keeps taxes low and fosters this new competition. It gives incentives to new training and job creation. It also must assist us in attacking those new and evolving markets, like southeast Asia.

We need a national education standard. This is also part of the federal government's obligation. Business has been too slow in this country to adapt to the new technology. Some of our business practices are outmoded and parochial.

We need to do more business networking. We need to create strategic alliances within our business sector so they will go out and attack those new markets. They must be unified to spike the market share. Labour must end its adversarial attitude toward business and government. It must see itself as a true partner. It must realize that new jobs and the creation of new jobs will rely

on those who do not feel alienated from the process, to those who will make a contribution to the process of industrialization. In other words, we need a new and genuine partnership of the three engines of the economy: government, business and labour.

These are the challenges; to seize the opportunities before us to control our destiny and to march into the 21st century certain of our future.

(1355)

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, in response to the member's speech and particularly in response to some of the comments which have been made by the Liberals, I wonder if they are aware that this morning their Minister of Finance made some public statements about the fact that they have a new economic philosophy.

Their new economic philosophy seems to relate a little more to reality than the things we have been hearing in the House since we came here. It somewhat relates to some of the comments which have been coming from this corner of the House.

Perhaps the member might like to comment on the fact that in quoting from the Organization for Economic Co-operation and Development, the finance minister this morning said that the OECD agrees. Let me quote from their recent job study: "Subsidies tend to operate in exactly the opposite way from what is needed. They slow rather than stimulate adjustments. They discourage rather than encourage innovation and they tend to become permanent".

Would the member care to comment on this new economic direction his finance minister has finally discovered?

**Mr. Shepherd:** Mr. Speaker, I do not recall discussing subsidies in my dissertation. I talked about creating a new industrial climate in Canada. I did not talk about subsidizing industries that go out and compete in the international marketplace. It was just the reverse. I talked about government's role to steer, that it had to create an environment in which businesses would flourish. I did not talk about subsidies but I agree that in some instances subsidies do not work.

In some ways, our government is realizing some of those and has realized that in the past. That is a new orientation for our governmental system. I was not talking about any of these things as a matter of fact. I was talking very simply that we must create a new independent wave of how we are going to deal with business in the future and how we are going to build a new Canadian economy.

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**The Speaker:** My colleagues, it being almost 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

## STATEMENTS BY MEMBERS

[English]

### GASOLINE ADDITIVES

**Mr. Julian Reed (Halton—Peel, Lib.):** Mr. Speaker, recently the caucus task force on ethanol supported a resolution urging the Minister of the Environment to initiate a moratorium on the use of MMT as an octane enhancer in Canadian gasolines.

MMT was banned in the United States in 1978 due to the widely recognized potential for negative health effects. Canada has continued to use MMT since it replaced lead as an anti-knock agent in 1977.

The Association of International Automobile Manufacturers of Canada has stated its opposition to the use of MMT on the grounds that the chemical degrades the effectiveness of vehicle emission control devices.

Ethanol represents an ideal alternative octane enhancer which is 100 per cent renewable. We strongly urge the minister to take swift action on eliminating the use of MMT and replace it with renewable, domestically produced fuel additives such as ethanol.

\* \* \*

[Translation]

### HAITI

**Mr. Jean-Paul Marchand (Québec—Est, BQ):** Mr. Speaker, the democratically elected President Jean-Bertrand Aristide has finally returned home. October 15, 1994 will remain a historic day for Haiti and for us all and a great day for democracy. Haitians are finally proud of their country again. During the three long years of dictatorship, we shared the despair of the Haitian people and of all our fellow citizens of Haitian origin, but today, we are tremendously glad to celebrate with them the hope that a fresh start brings.

In calling for national reconciliation, President Aristide is throwing open the door to economic development, social justice and lasting peace. Quebecers and Canadians want to continue giving their unfailing support to the Haitian people and their struggle to restore democracy.

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[English]

### TAXATION

**Mr. David Chatters (Athabasca, Ref.):** Mr. Speaker, over the past number of days I have received letters from my

*S. O. 31*

constituents demanding that this government not tax dental benefits. Geraldine Auger, Dr. Arthur Filyk, Christina Fuller, Ken Gaudin and Brian Mullally are but a few of my constituents who have expressed concern that this government will tax health care to gain control of Canada's horrible fiscal problems.

I am asking this government not to make such band-aid decisions as taxing Canada's working class even more to reduce Canada's deficit and debt. We are taxed upon our birth. We are taxed upon our death. Now we are threatening with taxes on health care in between.

Canadians are taxed to the limit. The solution is to cut government spending, not to increase taxes. Make real systemic changes that will not result in a bigger tax grab on the middle class Canadian worker.

\* \* \*

**CANADIAN ROWING CHAMPIONS**

**Mr. Ron Fewchuk (Selkirk—Red River, Lib.):** Mr. Speaker, it is with real pleasure and pride that I rise to congratulate Colleen Miller, a resident of Matlock, Manitoba and a constituent from the wonderful riding of Selkirk—Red River. Colleen and her partner Wendy Wiebe won their gold medal in the world rowing championships, lightweight double skulls event in Indianapolis, Indiana on September 17, 1994.

I would like to point out that Colleen and Wendy also won a gold medal at last year's event in Czechoslovakia and another gold medal performance in the Commonwealth regatta in London, Ontario just a few weeks ago. One newspaper put it so well: "On top of the world again".

Once more I would like to express my sincere congratulations to Colleen Miller and Wendy Wiebe. Canadians across this great country of ours congratulate them and are very proud of them.

\* \* \*

**JENNA BOWRING**

**Mr. Fred Mifflin (Bonavista—Trinity—Conception, Lib.):** Mr. Speaker, on the weekend the Reform Party hinted that Liberal women candidates for the last federal election were picked just because they were women. The fact is these women won their nominations due to their intelligence, vigour and their selfless commitment to Canadians.

This morning I had the privilege of attending the International Development Week 1995 calendar festival award presentation hosted by the Canadian Teachers Federation to honour Ms. Jenna Bowring, nine years of age and a grade four student at Random Island Integrated School, daughter of Cynthia and David Bowring of Britannia, Newfoundland.

Jenna's art work has been chosen out of 850 submissions from across Canada to provide the cover of Canada's International Development Week 1995 calendar. This young lady was chosen as a winner for her competence, her talent, energy and her enthusiasm.

I am sure that all members of this House will join me in congratulating this remarkable young Newfoundlander—who is in the gallery with her parents today—in winning this prestigious national award.

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**GREAT LAKES**

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.):** Mr. Speaker, a historic event occurred in the town of Collingwood in my riding of Wellington—Grey—Dufferin—Simcoe on August 27. On that day Canada and Ontario received a report which showed that the Collingwood harbour area of concern had met its restoration goals. That means that Collingwood harbour is on its way to becoming the first of 43 Great Lakes areas of concern in Canada and the United States to be delisted.

Its water, shorelines and wetlands have been restored and rehabilitated for the benefit of the people, the fish and the wildlife. This represents an important first step toward meeting the targets of the Canada—Ontario agreement respecting the Great Lakes basin ecosystem.

The Government of Canada has made a strong commitment to the environment. It also recognizes that the success depends on effective working partnerships. Collingwood, through its public advisory committee, its remedial action plan team and the community at large—

\* \* \*

*[Translation]***THE LATE GÉRALD GODIN**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, our friend Gérald Godin has died. He leaves behind his companion, his circle of close friends and everyone who loved him as he loved them, in a simple, straightforward way.

As a politician, Gérald led the way in showing tolerance and openness to citizens from other lands. Guided by a nationalism that is open to the world, he embodied the deep-rooted values of Quebecers, for whom freedom of thought is priceless.

His legacy to all is his compassion, his courage in the face of illness and his determination in the face of adversity. We will remember Gérald Godin as a man of conviction, a man of courage and a man of freedom. Farewell, Gérald.

S. O. 31

(1405)

[English]

**JUSTICE**

**Mr. Jack Ramsay (Crowfoot, Ref.):** Mr. Speaker, I was outraged after reading an article that appeared in the *Ottawa Citizen* written by a victim of violence.

While we stand in this House asking the Minister of Justice day after day when he plans to get tough with criminals in this country, a convicted offender is freely wandering the streets of Ottawa just blocks from here stalking the man upon whom he launched not one but two unprovoked, vicious attacks.

While Bill Glaister still suffers from pain and humiliation and fears for his safety, his assailant is free to attack again. Why? Because an Ottawa judge thought a stern lecture and five weeks in jail was a sufficient sentence for one count of assault, three counts of theft, one charge of fleeing a court commitment and one charge of misleading a police officer with false identity.

This criminal did not even serve his lenient sentence of five weeks. Our bleeding heart justice system turned him loose in three and a half weeks. That same system has left Mr. Glaister living in fear of this man and it will be responsible for the next victim who falls prey to this criminal.

\* \* \*

**MEMBERS OF PARLIAMENT**

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, I address this House today in response to the statements by the hon. member for Beaver River asserting that some women are not legitimate members of this Parliament.

I was duly elected in the beautiful riding of Cumberland—Colchester with a solid majority of nearly 3,000 votes more than the next closest candidate. I thank my electorate for placing its confidence in me and this Liberal government.

I have reason to believe that every person of female gender was duly elected to this Parliament on the same day last October by the same process under the same rules of the Government of Canada's elections act.

Could it be the Reform women members were elected by some other process or could it be they are doubting the integrity of the electorate?

\* \* \*

**ECONOMIC DEVELOPMENT ASSOCIATION OF CANADA**

**Mr. Brent St. Denis (Algoma, Lib.):** Mr. Speaker, I am pleased to draw the attention of the House that at the recent annual meeting of the prestigious Economic Development Association of Canada, two groups from my riding of Algoma

were given national awards recognizing their tremendous efforts in the economic development and diversification of our part of northern Ontario.

I am especially pleased that the North Channel Marine Tourism Council won an award for its promotional video, "Shores to Discover". It displays the wonders of the magnificent north channel of Lake Huron which is ranked with the Greek islands as a premier recreational boating area. This video will go a long way to help communities in the north shore and Manitoulin area to tap into northern Ontario's growing tourism market.

I am also proud to say that the city of Elliot Lake took home top honours in the positive program category as a result of its very successful retirement living program which was started after the major downsizing of the city's uranium mining industry a few years ago. The city is to be congratulated on its efforts and ingenuity in attracting over 3,000 new senior citizens to the city which has created economic spin-offs—

\* \* \*

**MEMBERS OF PARLIAMENT**

**Ms. Judy Bethel (Edmonton East, Lib.):** Mr. Speaker, in response to allegations made at the Reform Party convention that Liberal women MPs were not selected fairly and are somehow illegitimate, I would like to set the record straight for Edmonton East.

In Edmonton East there were five candidates who sought the Liberal nomination, four of whom were women. The nomination process was fairly established and strongly contested with active participation by more than 1,000 Liberal members, women and men, in Edmonton East.

Residents of Edmonton East, no one else, chose the Liberal candidate and the residents of Edmonton East chose the Liberal plan as the best one for them.

If the Reform Party is honest it will acknowledge the real reason why there are more women Liberal MPs. It is because Liberal policies are attractive to women because they respond to the reality of Canadian women. They will create more opportunities for women to participate fully in the life of our country. That is why the residents of Edmonton East chose—

\* \* \*

(1410)

[Translation]

**PROVINCIAL TAXATION**

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, the federal government recently threatened to stop making provincial payroll taxes deductible, a move which would cost Quebec companies \$200 million.



*Oral Questions*

With a mixture of satisfaction and concern, we learned this weekend that this measure has been postponed by one year. The Bloc Québécois is pleased that the federal government has yielded to its arguments and to those of Quebec's finance minister, Jean Campeau.

However, it is only a postponement, because a sword of Damocles still hangs over Quebec companies. Nothing says that the federal government will not try next year to reduce its deficit at the expense of Quebec companies by eliminating this perfectly justified deduction.

\* \* \*

[English]

**REFORM PARTY**

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, I might say that we were all elected to the House of Commons. Some of us were elected to be candidates for the House of Commons.

On Thursday, 1,450 Reform delegates from every province and territory in Canada converged on the nation's capital for our assembly. In just two short days Reform delegates discussed, debated and passed 27 resolutions that would eliminate the deficit, make the streets safe for our children, salvage our shaky social safety net and put more money in the hands of taxpayers. That is quite an accomplishment.

The delegates told us again and again that Canadians were tired of the everything is under control attitude of the present government. Canadians want real change, real options, real discussions, real hope and real reform.

While the Liberals were obviously watching our assembly the debt has risen to \$534,611,591—

\* \* \*

**FLEETWOOD CANADA LIMITED**

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** Mr. Speaker, it is with pleasure that I rise today and salute another example of excellence by workers in my riding of Victoria—Haliburton in Ontario.

Fleetwood Canada Limited, which manufactures travel trailers in my home town of Lindsay, has won for the third year in a row the customer satisfaction championship of Fleetwood Incorporated.

It now employs about 285 people and was judged by an independent survey of product owners to have produced the best travel trailers of the 10 Fleetwood plants in North America. It has also won the production team of the year award within Fleetwood. This award which is based on quality, efficiency, safety, warranty and overhead cost control is another testament to its ability.

I commend the workers at Fleetwood Canada Limited in Lindsay for their diligent work and perseverance over the years which have brought the plant such acclaimed recognition.

**MISSISSAUGA WEST**

**Mrs. Carolyn Parrish (Mississauga West, Lib.):** Mr. Speaker, I rise in the House today close to the one-year anniversary of the last federal election to thank the hundreds of grassroots volunteers who worked tirelessly to ensure I could represent Mississauga West here in Ottawa.

I particularly want to express my deep gratitude to a small core of people. Through their hard work and dedication over a nine-month period I was able to win an incredible nomination battle against five other Liberals and the largest democratic nomination in the history of Canadian politics.

I want to sincerely thank George Carlson, Elias Hazineh, Denise LaParairie, Maggie Mavromatis, Arlette Neufeld, Louis Robitaille, my husband David, my two daughters, my mother Helen Janozeski and my late father Edward Janozeski. These are the real heroes behind my nomination victory.

\* \* \*

**AVRO ARROW**

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker, it has come to my attention that the Royal Canadian Mint recently issued a set of coins commemorating milestone aircraft in Canadian aviation history.

To my surprise missing from this series is the Avro Arrow. As we all know, the Arrow was an aircraft decades ahead of its time and its cancellation resulted in a setback to the Canadian aviation industry from which it has yet to recover.

Most of the talented Canadians who worked on its development were forced to move to the United States where a great many were snapped up by NASA to work on the Apollo space program.

In 1958 the Arrow achieved speeds nearly twice that of sound and altitudes approaching 60,000 feet. Despite this the government of the day cancelled the project and ordered all tooling, plans and aircraft destroyed.

By allowing the exclusion of the Arrow from the series this government has effectively reinforced the shameful decision of a previous Conservative administration.

**ORAL QUESTION PERIOD**

(1415)

[Translation]

**ECONOMIC POLICY**

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the discussion paper released this morning by the Minister of Finance has proved once again that the Liberals have very little to show for all the promises they made. The gov-

*Oral Questions*

ernment is full of good intentions but has failed to provide any solutions that will reduce government spending and create jobs.

My question is directed to the Minister of Finance. Would the minister agree that what we need is not a diagnosis but a cure, as far as reducing the deficit is concerned? How can he expect to be taken seriously when his paper contains no measures to reduce the level of federal operating expenditures or eliminate the many instances of duplication that exist? What is he waiting for?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, perhaps the Leader of the Opposition should have been here this morning. Obviously, those who interpreted what was said this morning did not do a good job. We introduced a framework of new economic policies in order to increase significantly the productivity of our country, which, it must be said, has been dropping for quite some time.

If we want to create jobs, we can do that only if we are able to increase productivity in this country. And as far as action is concerned, if the hon. member would look at the last budget, we introduced some very important fiscal measures. In fact, it was after this budget was brought down that Canada started creating jobs. I am proud to say today that last week, it was announced that since January, 327,000 jobs were created in this country. That is practically a record.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, words, words, words, but never any action or decisions from this government!

Does this mean that since the Liberal government refuses to do anything now about government spending, wasteful duplication and tax inequities, it is going to go back to its old habit of spending its way out of this mess and depending on the impact of economic recovery to reduce the deficit? Is it the same old Liberal dogma?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the Leader of the Opposition may think 327,000 jobs are just words, but that is not the case for the people who got these jobs as a result of our measures and who are no longer listed as unemployed. It is important to create jobs, and we have done it since we came to power: 327,000.

Meanwhile, if you want to know what we have done, I suggest you listen to the IMF which said that this year, next year and the year after, Canada will have the best levels of growth and job creation of any G-7 country. We are proud of what we have done.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I will try to be a little more matter-of-fact, to make

the minister less inclined to indulge in political rhetoric. The minister knows perfectly well that if we are to raise employment levels to what they were in 1990, before the recession, we will have to create 800,000 jobs in Canada. When he talks about 327,000 jobs, he knows perfectly well he is well below that level.

We read the paper that was released this morning. It includes a paragraph that implies that social security reform will stimulate job creation.

How can the Minister of Finance expect social security reform to produce the spending cuts that will help him create jobs, since this reform merely turns the unemployed into scapegoats by putting them on the welfare rolls, so that fairness and any hope for the future no longer exist?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, I must correct the Leader of the Opposition. When we look at job creation, we have now outstripped the level of job creation we had before the recession. We did it. Second, when we take a careful look at the diagnosis, when we consider what the Minister of Human Resources Development is doing, we are in fact implementing the OECD's analysis. Is that wrong? Are France, Germany and the OECD countries wrong or is the Leader of the Opposition the only one who is right? I do not think so, Mr. Speaker.

(1420)

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, my question is also for the Minister of Finance.

In a statement made this morning on the state of the economy and government finance, the minister discussed at length the need to make additional budget cuts in order to meet his 1996-97 objective regarding the deficit.

Does the Minister of Finance still deny that, in order to achieve his objective, he will make additional cuts of \$7.5 billion in social assistance and post-secondary education, on top of the \$7.4 billion cuts already made in his last budget in the UI program and transfers to provinces?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, let me quote the Leader of the Opposition, who asked this question on June 20: Does the Minister of Finance intend to table a supplementary budget in the fall to reduce government spending by at least \$3 billion?

Mr. Speaker, I find it very hard to understand why the Leader of the Opposition wants us to make cuts, while his finance critic refuses to accept the fact that we have to improve government finance.

*Oral Questions*

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, we agree with making cuts, but these must be targeted at operating expenditures, inefficiencies and overlapping, not at the unemployed and the poor in our society.

How can the public trust the minister and his government when in just one year, they have failed to protect the unemployed and welfare recipients, they have not abolished the GST and they are now talking about increasing taxes, in spite of all the promises made? What kind of trust does the minister think he will instill among Quebecers and Canadians?

**An hon. member:** None.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, I am not the only one who gets excited.

[*English*]

It is incredible to watch members of the opposition at work. They say we must cut, yet every time we talk about an area they say: "You can't cut that". They have never made one suggestion as to an area where we should cut. They have never brought forward anything constructive. They sit there and they make huge rhetorical speeches about the future of the world. Never once are they prepared to get down to work and make this country work. That is the problem with the opposition.

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

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, today the finance minister repeated in graphic terms what Reformers have been saying for years. He said we are in hock up to our eyeballs and that the debt and the deficit are unsustainable.

Just this weekend it was reported that the Deputy Prime Minister, the Solicitor General, the Minister of Human Resources Development and the Minister of Public Works are still reluctant to attack the deficit while the Ministers of Finance, Transport and International Trade want to attack the deficit more vigorously. The cabinet is divided.

Will the finance minister tell the House whose position represents the position of the government, that of the Deputy Prime Minister and her free-spending friends or the finance minister and his deficit reduction?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, it is music to my ears to hear the leader of the third party stating that reports in the media are automatically true. I am glad to see the vote of confidence that he and his party have given to the media.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, deficit reduction is intimately related to social reform. The hardheads in the cabinet are looking for \$7 billion to \$10

billion of savings through social reform. The softheads in the cabinet think the best they can get is \$1 billion to \$3 billion.

Will the finance minister show some leadership right now by stating how much money he wants to save through these social reform programs?

(1425)

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, there is one thing for certain. The Prime Minister laid down a target of 3 per cent of GDP to be achieved by this government and this cabinet in the 1996-97 fiscal year. We intend to deliver. Every single member of cabinet is committed to delivering on our red book promise.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, top heads got the chance to answer the question.

The finance minister also knows that given the current economic situation, any suspicion at all of federal tax increases will further damage private sector expansion and job creation.

Will the finance minister show some leadership today by giving an unequivocal guarantee right now that tax increases are not the option for solving the deficit problem?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I understand the absolute hypocrisy of the Reform Party that on the one hand tells Canadians that it wants to take \$15 billion out of the pockets of senior citizens as well as health care, education and other programs and on the other hand wants to tie the hands of the Minister of Finance in advance of a budget that is going to have a number of difficult choices.

The Minister of Finance and this side of the House want a full public discussion on all aspects of a federal budget and we want the debate to begin.

[*Translation*]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, my question is for the Minister of Finance. Last Friday, in Toronto, during the Federal-Provincial Conference of Finance Ministers, he proposed a national sales tax of 12 per cent on goods and services, to replace the GST that his party had promised to abolish. That proposal was rejected by Ontario, Quebec, B.C. and Alberta.

Given the opposition of several provinces to such a national sales tax of 12 per cent, does the Minister of Finance not recognize that his proposal is doomed?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, I must say that our discussions on Friday in Toronto were quite fruitful. Several provinces supported our proposal. I could add that two other proposals are

on the table, one from Ontario and one from Manitoba. Quebec has been very constructive.

Indeed, far from rejecting our proposal offhand, Quebec said there were some problems, but that something could perhaps be worked out based on our proposal. Everything went very well. It might be that the headquarters in Quebec City are more constructive than the branch plant here.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, I wish to remind the Minister of Finance that the position taken by the Government of Quebec is the same as the position of the Bloc Québécois in the Finance Committee report.

Could the Minister of Finance tell us what other scenario he intends to propose to the provinces in order to fulfil his commitment to abolish the GST before January 1996?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, our commitment during the campaign, which was stated in the red book and that the hon. member should read again, is very clear. We said that the GST would have to be replaced with a taxation system which would be fairer for consumers, harmonized with the provinces and set up in the shortest possible timeframe. However it is far more important to do it well than to do it before a set deadline.

(1430)

[English]

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, the minister's lilac book today committed the government to the previously announced and easily achievable deficit target of 3 per cent of GDP in two years. However he did not provide a time frame for the total elimination of the deficit by saying simply: "Our ultimate goal is the elimination of the budget deficit".

This is not enough. The world financial community is anxious. Will the minister commit the government to a definite time frame for the complete elimination of the deficit?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, I am not sure if lilac is the right colour; perhaps the opposition critic is looking at it through rose coloured glasses. That actually came from the Deputy Prime Minister, not bad.

The position I took in committee this morning is entirely consistent and in fact finds its birthplace within the red book. In the red book we said unequivocally that we were going to reduce the deficit to 3 per cent of GDP by 1996-97 and that our ultimate goal was to balance the books, to eliminate the deficit. That is

### Oral Questions

the position we took in the red book. That is the position I took this morning in the purple book.

Our goal is to set milestones so that Canadians can judge what the government is doing. We are not going to set targets out there. We are going to hit our 3 per cent target. Canadians better understand that and the Leader of the Opposition better understand that as well.

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, the people of Canada have heard these vague promises about some time in the future they will balance the budget, just rely on them, for too long.

Financial experts agree the deficit cannot be eliminated without reform and cuts to the social program. The lilac book does not make that point and the financial community is anxious, especially if Deputy Prime Minister is answering the question.

Will the minister stop tiptoeing through the lilacs and promise major cuts in social program spending?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, it is precisely because the previous government kept setting targets too far down the way of no great significance and then kept missing them that we as a government decided that we would set up very clear milestones—that is what Canadians asked us to do in the consultations last year—within a relatively short time period so that we would keep everybody's focus on that and then we would hit our targets.

It is very important for the credibility of government that we do not set out a multitude of targets but that the government focuses on one issue and that it does what it says, and that is what we are going to do.

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[Translation]

### NATIONAL DEFENCE

**Mr. Jean-Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, my question is for the Minister of National Defence.

The Liberal government was quick to cancel the EH-101 helicopter contract and has maintained on numerous occasions that it would wait for the next white book to announce its intention to buy on-board helicopters for the navy fleet. On August 12, the minister even said that no decision would be taken regarding the purchase of any equipment for the Canadian Forces as long as the defence policy review was still under way.

How can the minister explain his about-turn and the fact that he has announced his intention to buy on-board helicopters when the defence policy review is still under way?

*Oral Questions**[English]*

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, when we rolled out the new tactical helicopter on Friday at Mirabel there was a press conference where obviously my comments were somewhat misconstrued. We have not changed our position.

We cancelled the HE-101 not because of the fact that it was not a good helicopter but that it was too expensive and too rich for our needs. We now have a defence review under way and the government is absolutely adamant that there will be no decision taken. Cabinet will not be seized of the issue until the defence review takes place. The hon. member is a member of that defence committee. No decision will take place until we know the priorities the defence review will set down.

(1435)

In dealing with our helicopter needs, we have a search and rescue capability and an airborne ship capability that have to be fulfilled. We are looking to the guidance of the parliamentary committee and consultations that I am having before we go to cabinet with a specific recommendation.

*[Translation]*

**Mr. Jean-Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, just as with the finance minister, journalists must have misinterpreted what the minister said.

Knowing that the cancellation of the EH-101 deal heavily penalized Quebec, can the defence minister promise right now that Quebec will benefit from the same level of spin-offs as with the previous contract?

*[English]*

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I have said on a number of occasions that we will have to replace the Sea Kings and the Labradors, which have a lifecycle up to the year 2000, but we would like to look at what kind of replacements will be required as soon as the defence review is out of the way.

As with all major government procurement, we try to have the industrial benefits accrue to all regions of the country. I am sure this will apply in any future defence contracts that are let.

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**SOCIAL PROGRAM REFORM**

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, last week I asked the Minister of Human Resources Development when we could expect to see legislation. Now we read that the minister has reassured Atlantic premiers that proposed changes to unemployment insurance would not be implemented for five to seven years.

Why did the minister not clearly tell Canadians that with his no action plan changes would take five to seven years?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I understand the hon. member is still reasonably new to the House, but he should understand that the timetable we have set would be for legislation in the spring of 1995 or perhaps in the fall, depending on how consultations with the provinces go. We would have new legislation in 1995.

That would mean, therefore, that any new implementation of the unemployment insurance system would take until January 1, 1996 to take effect. If there was a frequency test, as proposed in the green paper, it would take three years for that test to work its way through the system. That is what I was referring to.

I understand it may not be understood by the hon. member because he has not been through how government works before, and thank goodness he never will.

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, I think the minister should have put his proposals in a yellow book. If he is talking about targets, everybody knows that if he does not have anything to aim at he is not going to miss.

Canadians have been waiting for six months for this no action plan and now everybody knows what it is full of: limited options, no price tags, no time lines, and no hope.

Are there any other major surprises coming on social program reform, or should Canadians just throw the discussion paper away and keep an eye on the newspapers to hear about his plans?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I understand the hon. member was very busy this weekend trying to protect some remnant of sanity in his own party against the members of his convention. If he had been spending time in his own constituency and out talking to Canadians, as I have been doing for the last 10 days, he would realize there is widespread interest in every part of the country in terms of having a major debate, discussion and dialogue.

Canadians are being heard. They are being listened to. They want to put their own signatures to the program. It constantly amazes me why the Reform Party is so authoritarian and anti-democratic that it does not want to have a public discussion on social policy.

[Translation]

### NATIONAL FORUM ON HEALTH

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

The National Forum on Health will open on Thursday in Ottawa. The federal government and the provinces are still deadlocked as, according to a spokesperson for the Minister of Health, not one of the provinces has accepted her invitation to participate in the Forum under the terms set by the government, that is to say only in an advisory capacity.

(1440)

Does the Minister of Health not recognize that, without the provinces, which were invited by Ottawa only out of courtesy, her National Forum on Health will be nothing more than a masquerade to justify interfering further in an area of exclusive provincial jurisdiction?

**Hon. Diane Marleau (Minister of Health, Lib.):** As you know, Mr. Speaker, the purpose of the health forum on Thursday is to advise and help the federal government to examine long-term issues regarding the health of all Canadians. This being said, I have always worked very well with my provincial counterparts and I intend to continue to do so.

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, I have another question for the minister and I hope to get a clear answer this time. Does the Minister of Health not realize that, if the provinces refuse to participate in her forum, it is because they will not be able to participate fully and because they have uncovered the true intentions of the federal government, namely to cut provincial transfer payments for health care?

[English]

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, I have been working very closely with my colleagues at the provincial level, so much so that a large number of the many knowledgeable Canadians who are members of the forum have had their names put forward by the ministers of health from the provinces.

I look forward to working with the forum members but I will continue to work with the decision making body, the conference of federal-provincial ministers of health.

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### SOCIAL PROGRAM REFORM

**Mrs. Jane Stewart (Brant, Lib.):** Mr. Speaker, my question is for the Minister of Human Resources Development. Older workers in my riding who were formerly employed by Koeh-

### Oral Questions

ring-Waterous Timberjack are now in desperate need of support under the program for older workers adjustment.

Since the closing of their plant in the fall of 1992, most of these older workers have been unable to find alternate employment and many face losing their homes in order to make ends meet.

Could the minister comment on why we are experiencing these frustrating delays on the approval of this federal-provincial program and tell us what he could do to mitigate the problems?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, as the member knows, the program for older workers is a joint program, federal and provincial. It depends on joint administration and decisions on designations.

Last March I wrote a letter to all the provinces indicating a willingness to sign a new agreement. Unfortunately the province of Ontario came back with a counter offer for a new benefit arrangement. Therefore it has yet to sign the new program for older workers adjustment. We cannot go ahead with designations until the Government of Ontario approves.

I understand it is soon to go to its cabinet and as soon as it approves the new agreement on older workers we can go ahead with designations. I urge the hon. member and others to put whatever kindly persuasion on the Ontario government they can to go ahead with these designations.

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### THE CONSTITUTION

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, last week the Prime Minister was quoted as saying: "A Prime Minister of Canada has a Constitution he must respect and there is no mechanism in the Constitution permitting the separation of any part of Canadian territory".

We know that separatism would require substantial constitutional amendment. Will the Minister of Intergovernmental Affairs commit to the House, on behalf of the government, that it is the position of the Government of Canada that any change to the constitutional status of a province would have to be done legally and would require, under the amending formula, the consent of all provinces?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, this is a hypothetical question on which the Prime Minister commented in general. I certainly do not intend to go any further than that.

*Oral Questions*

(1445)

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, on June 17 the minister declined to respond for similar hypothetical reasons saying that the Quebec Liberals would win the provincial election.

My supplementary question concerns an article written recently by the member for Vancouver Quadra. The hon. member said that the federal government today retains its full constitutional options to allow or not to allow a referendum vote, to control the content and wording of any referendum question, to control the actual timing of any vote and to launch its own pre-emptive nationwide referendum legally superseding any Quebec vote.

This is not a hypothetical situation. I ask the minister to indicate whether or not this reflects the constitutional position of the Government of Canada.

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, I could answer that we also intend to win the referendum. In the question of the provincial election we came much closer than was predicted for the Liberal Party to win. In this case there is no doubt the referendum will be won, so it is still a hypothetical question.

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*[Translation]***SOCIAL PROGRAM REFORM**

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development. Although the Minister of Human Resources Development has just launched a wide-ranging consultation on the possible reform of social programs, a reform which, among other things, would emphasize community resources to help unemployed youth, he has just ended the subsidy for Carrefour-Jeunesse Emploi de l'Outaouais, which has effectively helped young unemployed people in that region for ten years.

My question is this: How can the minister reconcile his decision to end financial assistance for Carrefour-Jeunesse Emploi with his discussion paper, which intends to put more emphasis on community organizations? How can he reconcile the contradiction between deeds and words?

*[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, as I pointed out before, one of the basic elements of decentralizing federal programming is to allow decision making to take place at the local level and to

allow that level to set priorities and determine where the best allocation would go.

If the hon. member would look at this case in point she would recognize that the recommendation as to where the funding should go for that particular program in that area was made in the local community.

**Mrs. Francine Lalonde (Mercier, BQ):** By the local CEC.  
*[Translation]*

For his part, how can the Minister of Intergovernmental Affairs go along with those who ended the subsidy for Carrefour-Jeunesse Emploi, when at the same time he paid \$130,000 to set up an employment centre in Hull, but for immigrants this time?

*[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I want to repeat for the hon. member that she should look carefully at what investments on human resources the federal government is making in the Outaouais area. This year alone we are putting about \$17 million into that region. Of that, \$3.5 million directly relates to youth employment and training services.

By the decision that was made in that area for the particular program we will be able to handle several hundred additional people through the new centre. That is the reason for the reorganization that was recommended in that area.

As to trying to make a case that we should spend on one group and not the other, the government tries to provide services for a wide variety of Canadians and not make the kind of choices of setting one group against the other which the hon. member is obviously trying to do.

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**DANGEROUS OFFENDERS**

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, on Tuesday, October 4 at four o'clock in the afternoon 16-year old Pamela Cameron was walking on one of the busiest streets in Surrey, B.C. She never made it to her destination. She was murdered and her body was left in a brush covered lot. The man charged in her murder is a convicted sex offender. The court called this man a walking time bomb. When he was released Corrections Canada advised that he was a high risk offender.

Will the Solicitor General advise the House what steps the government will take to protect innocent children from sexual predators?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, I join with the hon. member in regretting very much this tragedy and extend sympathies to the family of the young

girl in question. At the time of the murder the individual the hon. member mentioned was neither on parole nor on conditional release. There was no law in place that permitted any control over the individual.

(1450)

I want to add that we are working with a federal-provincial task force on measures to deal with issues of post-sentence detention. We look forward to receiving a report very soon so that we can move ahead in dealing with these kinds of situations.

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, we are debating my private member's bill in the House now and it deals with this issue.

The Liberal red book states that as a government it would introduce measures to protect women and children. This government failed to protect Pamela Cameron. It failed to protect Sarah Kelly in The Pas and it failed to protect Mindy Tran in Kelowna.

Will the minister advise the House when the government will live up to the red book promises and its commitment to protect this country's children?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, the Minister of Justice with my support is working actively to develop measures. When they come forward I hope the hon. member and her party will give them full support. In this way we will make real progress very soon.

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#### HUMAN RIGHTS

**Mrs. Eleni Bakopanos (Saint-Denis, Lib.):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

Last May I asked the minister to inquire into the problem of human rights violations in Albania. Since that time there have been serious developments including the imprisonment and sentencing of five ethnic Greek members of the Omonia organization.

[Translation]

Could the minister tell us what Canada has done to ensure respect for human rights in Albania?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, Canada believes that the CSCE is the best organization to try to lead the parties concerned to an agreement.

Of course, both Greece and Albania, which are members of the CSCE, should use the CSCE's good offices to try to get out of the difficult situation there. Canada encourages these two countries to use the CSCE's mediation.

#### Oral Questions

#### FOREIGN AFFAIRS

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

On September 27, in a totally inaccurate statement to the Japanese Association for Canadian Studies in Sapporo, an employee of the Canadian embassy in Japan, Patricia Bader-Johnson, denigrated Hydro-Québec by saying that the Quebec Crown corporation was fuelling racial tensions between Natives and other Quebecers. Without checking things out, this employee attributed to Hydro-Québec a dubious advertisement that originated in fact from an oil heating company.

Is the Minister of Foreign Affairs aware of this and does he admit that it is totally unacceptable for one of his employees abroad to denigrate in this way a Quebec Crown corporation such as Hydro-Québec?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I am pleased to say that Canada's Department of Foreign Affairs and the Canadian International Development Agency very often call on Hydro-Québec's expertise and skills for overseas projects.

The remarks made by an employee do not represent the Canadian government's position. I think that the hon. member should not make a big deal out of one person's comments, when the Government of Canada often works in close co-operation with Hydro-Québec on very important projects that create jobs in Quebec and enable Hydro-Québec to play an international role.

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, I think that the minister has not answered the question and I ask him: Does he not think that it is necessary to set the record straight with the Japanese and can he tell us exactly what he intends to do?

(1455)

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I can assure the hon. member that he makes too much of one person's remarks which, I am sure, did not change Japan's very high opinion of an institution as important as Hydro-Québec.

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[English]

#### DANGEROUS OFFENDERS

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, we have been in this House for a year. In that entire year the Solicitor General has rambled on with his rhetoric about his task force, his studies, his reviews, all those wonderful things he is going to do to make this country safe and those hon. members laugh. They should laugh in the faces of the victims and see if they think it is funny. It is time to take some action.



*Points of Order*

While the minister rambles, hundreds and hundreds of victims have felt the sting of these guys who have been released when they ought to have been left in jail. Would the minister be willing to show the intestinal fortitude and political will to announce a moratorium that no more dangerous violent offenders will be released until this is settled?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, I understand the hon. member's concerns about these kinds of situations. I share his concerns but I have to apply the law adopted by this Parliament. This Parliament has not given me the authority to suspend the law on my own volition. We want to move forward on changes in the law. In view of the hon. member's rhetoric I look forward to having his support of our measures when we bring them forward.

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, I for one would be more than pleased to support something that would save the lives of future victims.

Are fellows by the names of Thom, Sparklingeyes, Jerabek, Toner or Foulston familiar to the minister? Will the minister be responsible for any offences these violent offenders who are now being sought by the RCMP—

**The Speaker:** Order. Perhaps the member could rephrase his question.

I see that the members in the gallery are speaking again.

Would the hon. member like to rephrase his memory, rephrase his question.

**Mr. Thompson:** Mr. Speaker, my memory is hopeless.

Five dangerous violent offenders are strolling the streets, having escaped custody. These people were on parole or day passes. They have been named by the RCMP to be highly dangerous and are on the most wanted list.

Is the Solicitor General prepared to accept responsibility for what these five people do within the next few days before they are caught?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, the police authorities are actively seeking these people to bring them back into custody. I hope the hon. member and all Canadians will support the police in these efforts.

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**SOCIAL PROGRAM REVIEW**

**Hon. Audrey McLaughlin (Yukon, NDP):** Mr. Speaker, my question is for the Minister of Finance.

The minister of human resources stated in Montreal last week that his proposals are part of a larger package the Minister of Finance is due to release to the finance committee. Yet today

with the release of the paper "The New Framework for Economic Policy" we still have no specific costing on the proposals outlined in the social security review paper.

Will the minister come clean with Canadians and say exactly how much the Minister of Finance sees cutting from social programs?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, this morning we set out a basic framework as to how we feel the Canadian economy can deal with what is its single greatest problem which is the failure to create jobs in sufficient numbers to substantially reduce the unemployment rate.

(1500)

We basically said that the focus must be on productivity and we set out the key elements of how we would generate that productivity. We also stated in there that as far as we are concerned—I am now repeating the words of the Minister of Human Resources Development—the best social policy is a good job.

I must say that complementing certainly that framework are the tremendous efforts by the minister to basically make it possible for Canadians to develop the skills and the talents they need to face up to a very different world. It is very clear that the government has its act together and Canadians are going to benefit from it.

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**PRESENCE IN GALLERY**

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of a parliamentary delegation from the Republic of South Africa led by Mr. Govan Mbeki, Deputy President of the Senate.

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

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**POINTS OF ORDER**

## ORAL QUESTION PERIOD

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, I rise on a point of order. During question period the member for Calgary West asked two questions of the Minister of Intergovernmental Affairs. One was on the constitutional position of the government on the legality of cessation. The other was on the question of whether the Government of Canada had the competence to allow or disallow a referendum on secession. Neither was hypothetical.

The minister declined to answer these questions on the grounds that they were hypothetical. We believe neither was.

*Routine Proceedings*

**The Speaker:** I would point out that in question period questions may be asked but should not be of a hypothetical nature. Members will note at that time the Chair did not intervene and did not rule on whether it was a hypothetical question.

We all accept in this House that ministers have the right to answer a question or not to answer a question and take whatever form when they do answer a question to do so. In this case, if a question is posed it is up to a minister or a member of the government to answer as he or she sees fit.

If I judge a question to be hypothetical, as your Speaker I will intervene. I cannot control the response and for the most part I cannot control the question.

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## ROUTINE PROCEEDINGS

[English]

### ORDER IN COUNCIL APPOINTMENTS

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

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

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### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 20 petitions.

\* \* \*

[Translation]

### WORLD FOOD DAY

**Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri-Food, Fisheries and Oceans), Lib.):** Madam Speaker, I would like to draw to the attention of hon. members the activities organized to commemorate World Food Day, today, in Canada and around the world.

(1505)

The World Food Day reminds us that we have not yet found a sustainable solution to the problem of hunger in the world. Today, the Canadian Association for the World Food Day is organizing various activities and, in particular, workshops in all

provinces and both territories, and the theme this year is: Water, source of life.

Canada, richly endowed in this regard, has contributed through its expertise in agriculture and irrigation to the improvement of water supplies for families in rural areas around the world.

[English]

On October 16, 1945 the food and agriculture organization of the United Nations, the FAO, was founded in Quebec City. I think it is only fitting that the House be reminded of the historic role of a great Canadian, the Right Hon. Lester B. Pearson, chairman and one of the principal architects of the founding conference of the FAO.

[Translation]

Next year, Canada, Quebec and Quebec City, will be hosting events to commemorate the fiftieth anniversary of the creation of the FAO.

[English]

In the last 50 years we have experienced dramatic increases in agricultural production. At the same time the world is faced with daunting population growth. If we are to succeed into the next millennium our efforts will have to be based on truly sustainable agriculture. This will be one of the challenges that ministers of agriculture of the 170 member countries of the FAO, their officials, industry representatives and non-government organizations from Canada and abroad will address when they meet in Quebec City next year.

[Translation]

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** Madam Speaker, on behalf of the Bloc Québécois, I have the pleasure of joining our voice to that of the hon. member for Beauséjour, the Secretary of State for Agriculture and Agri-Food, Fisheries and Oceans. Water is the source of life. Everyday, on our blue planet, a third of the population goes hungry and every day, four out of ten people go thirsty or do not have access to proper drinking water.

It is said that human beings can go without food for around 40 days as long they can drink. But without food or water, they die within four days. We cannot live without water and if we compare the Earth to a grapefruit, a pinhead would represent our water supply, 98 per cent of which is made up of salt water, which leaves us with only two per cent considered freshwater. We are not taking very good care of this two per cent found in lakes, rivers, streams, clouds, glaciers, and underground springs.

No later than yesterday I saw someone putting out a cigarette butt by throwing it in a toilet bowl and flushing it out. What a shameful waste of water! Here in Quebec and Canada, groundwater, the water table, is getting deeper and deeper and is often of questionable quality. One must keep in mind that one litre of

*Routine Proceedings*

gasoline, diesel fuel or oil is enough to pollute one million litres of groundwater.

(1510)

I am very happy to see that Quebec City will be host to the 170 FAO member countries for a convention, next October.

I would also like to take this opportunity to stress the importance of the work carried out by the many organizations involved in finding lasting solutions to world hunger. Despite our collective wealth, hunger is a problem we know at home in Montreal and other major Canadian cities.

I want to congratulate the World Food Day Association of Canada which, through its numerous activities, helps raise the awareness of Canadians and Quebecers regarding world hunger.

I would also like to encourage farmers to share their experience by participating in joint projects with other countries. The Union des producteurs agricoles du Québec has set up projects of this kind, showing a sense of solidarity which I believe augurs very well.

Finally, 18 months or two years ago, I was shocked by a piece of news coming out of the home province of the secretary of state, which is the potato capital of the country. As he will no doubt remember, there was an overabundance of potatoes and to keep prices up, both governments had found an ingenious trick. I must specify that it was the previous government. Anyway, they decided to buy the potatoes and bury them in a dump. I wonder if the member recalls this incident. It did not happen on the other side of our planet, but in New Brunswick, 18 months or two years ago.

I cannot forget the photosynthesis formula I was taught in grade school; you too will remember that we were told that on Earth there are three life-giving elements: water, air and earth. I will remind you that without water for three to four days, it is the end of this world for us.

Therefore, it with pleasure that the Bloc Québécois joins the hon. member for Beauséjour in saluting the World Food Day Association of Canada.

[English]

**Mr. Leon E. Benoit (Vegreville, Ref.):** Madam Speaker, October 16 marks the 14th celebration of World Food Day. Governments got together and said they were in favour of food. This is ridiculous. What do governments have to do with food? Farmers produce food, other business people process and market food.

In Canada every day is food day. In this country for the most part at least, with a few notable exceptions, markets operate as they should. Prices tell farmers what customers want. Prices tell farmers what should be grown. Prices tell stores what to sell and customers what to buy.

I am not saying things are perfect here in Canada. There is still far too much government involvement in our industry, there is no doubt about that. Governments have too much say in marketing boards. There are too many interprovincial trade barriers and too many bureaucratic hoops for farmers to jump through in order to make a decent living.

Here where people are free food is abundant. Throughout the world there is a large discrepancy between what is being produced and what is needed. Unfair trade practices, for example the export enhancement program in the United States and the common agriculture policies in the European Union, prevent free markets from operating as they should.

(1515)

Why are the countries of the former Soviet Union suffering from hunger? It is because they are still suffering from the effects of a centrally planned economy.

When governments stay out of the way, people co-operate to produce plenty. When governments get involved things go wrong; supply is short, prices are too high and markets are skewed. Would you let the post office feed you? World Food Day is not a recognition of what governments have done. It recognizes what governments have failed to do. Government involvement in agriculture should be reduced to a minimum. This is essential to the growth of the future of the agriculture industry in Canada and indeed around the world.

If governments would get out of the way we would be well on the way toward minimizing world hunger.

\* \* \*

[Translation]

#### SUBCOMMITTEE ON NATIONAL SECURITY

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I believe that you will find unanimous consent of the House for the following motion:

That the House, pursuant to Standing Order 119.1(1), authorize the Subcommittee on national security of the Standing Committee on Justice and Legal Affairs to televise the meeting of Tuesday, October 18, 1994, in accordance with the guidelines pertaining to televising Committee proceedings.

**The Acting Speaker (Mrs. Maheu):** Does the hon. parliamentary secretary have the unanimous consent of the House to move this motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mrs. Maheu):** The House has heard the terms of the motion. Is it the pleasure of the House to adopt this motion?

**Some hon. members:** Agreed.

(Motion agreed to.)

*Routine Proceedings*

[English]

**PETITIONS**

## POSTAL SUBSIDY

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Madam Speaker, pursuant to Standing Order 36, it is my pleasure to present a petition duly certified by the clerk of petitions containing 60 signatures from residents of the town of Assiniboia and district in my constituency.

Whereas the library book postal subsidy is necessary for the continued operation of interlending services among libraries and plays a vital role in the distribution of cultural and technical information and whereas cancellation of the subsidy or changes in the amount of subsidy would result in severely hampering the public's access to information housed in libraries, wherefore the undersigned your petitioners humbly pray and call upon Parliament to continue the library book postal subsidy and to ensure that there will be no further erosion in the resulting library book postal rate.

## COMMONWEALTH GAMES

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Madam Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition signed by 105 constituents of Saanich—Gulf Islands and surrounding area which has been duly certified by the clerk of petitions.

The petitioners humbly pray and call on Parliament to ensure that the Victoria Commonwealth Games shooting facilities will be completely removed from Heal's rifle range by October 31, 1994.

## GUN CONTROL

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Madam Speaker, I am pleased to rise in the House today to present a petition from constituents in Horsefly, Williams Lake and 150 Mile House, British Columbia.

My constituents call on the government to refrain from passing any legislation that results in additional gun control laws. My constituents also request that under existing laws Parliament act to increase penalties for the illegal possession of a firearm or for criminal use of any firearm.

(1520)

This petition is presented with my concurrence.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Madam Speaker, I rise today pursuant to Standing Order 36 to present two petitions.

The petitioners call on Parliament to reject any proposals which might add to the existing regulatory restrictions for firearms. These restrictions clearly punish law-abiding gun

owners and do not address the real problem in Canada which is a crime problem.

The petitioners go on to urge government to provide strict sentencing guidelines and mandatory sentences for anyone convicted of a crime while in possession of a weapon or a firearm. Their message is get tough on criminals, not on law-abiding citizens.

I agree with these proposals.

## EUTHANASIA

**Mr. Ed Harper (Simcoe Centre, Ref.):** Madam Speaker, under Standing Order 36 I wish to present two petitions on behalf of the constituents of Simcoe Centre. The first is on the issue of euthanasia. These petitioners request that the current laws regarding active euthanasia be enforced.

## HUMAN RIGHTS

**Mr. Ed Harper (Simcoe Centre, Ref.):** The second petition requests that the Government of Canada not amend the Canadian Human Rights Act to include the phrase sexual orientation. The petitioners fear that such an inclusion could lead to homosexuals receiving the same benefits and societal privileges as married people.

## ASSISTED SUICIDE

**Mr. Randy White (Fraser Valley West, Ref.):** Madam Speaker, I rise to present two petitions, the first one asking that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

## HUMAN RIGHTS

**Mr. Randy White (Fraser Valley West, Ref.):** The second petition asks that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

**Mr. John Williams (St. Albert, Ref.):** Madam Speaker, pursuant to Standing Order 36 I am honoured to present a petition on behalf of 1,252 Albertans, many of whom are my constituents.

These petitioners request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms which would in any way indicate the societal approval of same sex relationships or of homosexuality. These petitioners also ask that Parliament not amend the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

*Government Orders*

Not only am I pleased to present this petition but I endorse the petition as well.

YOUTH

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** This petition is about young people. My constituents see our young Canadians as our greatest asset. They point out that youth today has many challenges, for example the breakdown of the traditional family which has caused certain problems. They see increasing violence in our society. These petitioners want the government to continue to ensure that training, retraining and jobs are a priority for all Canadians and certainly our young men and women.

\* \* \*

[Translation]

**QUESTIONS ON THE ORDER PAPER**

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Madam Speaker, Question No. 79 will be answered today.

[Text]

Question No. 79—**Mr. Morrison:**

With regard to the Department of Industry, has federal funding been provided to Para-Ordnance located in Scarborough, Ontario, if so, how much, for what purpose and for how long?

**Hon. John Manley (Minister of Industry):** A search of the department's corporate database has indicated that there is no record of financial assistance having been provided to "Para-Ordnance Mfg Inc." located in Scarborough, Ontario under programs administered by Industry Canada.

[Translation]

**The Acting Speaker (Mrs. Maheu):** The question as enumerated by the parliamentary secretary has been answered.

**Mr. Milliken:** Madam Speaker, I suggest that all other remaining questions stand.

**The Acting Speaker (Mrs. Maheu):** Shall the remaining questions stand?

**Some hon. members:** Agreed.

[English]

**The Acting Speaker (Mrs. Maheu):** I wish to inform the House that pursuant to Standing Order 33(2)(b), because of the ministerial statement Government Orders will be extended by 12 minutes.

**GOVERNMENT ORDERS**

[English]

**DEPARTMENT OF INDUSTRY ACT**

The House resumed consideration of the motion that Bill C-46, an act to establish the Department of Industry and to amend and repeal certain other acts, be read the second time and referred to a committee; and of the amendment; and of the amendment to the amendment.

(1525)

**Mr. Robert D. Nault (Kenora—Rainy River, Lib.):** Madam Speaker, I rise today to support Bill C-46. I want to talk about some positive aspects of the government's policy direction because economic indicators in Canada are indeed positive.

It is not a complete coincidence that the Canadian government has introduced new restructuring such as the Department of Industry. At the same time, to be frank and forthright, there are still unsatisfactory economic conditions which need to be addressed. It is my hope that logical steps, including the new Industry Canada format, will lead to sustainable economic recovery in Canada.

The approach of fiscal responsibility with sensible spending reductions while maintaining integral support for business and industry is a reasonable policy for today's economic climate. The reorganization and creation of the new Department of Industry is probably most often associated with business operations in cities such as high tech and sophisticated science based companies. However, I would like to comment on the new Industry Canada from a different perspective, that of a rural setting. Canada's rural regions also depend on industrial development.

My riding of Kenora—Rainy River is in northern Ontario where most people automatically think of resource industries like mining and forestry. While that is true, we do depend on the resource sector to provide us with an economic foundation but the realities of a new market order dictate that economies across Canada diversify.

Industry Canada is tailored to accommodate diversity in all regions of the country. In northern Ontario diversification has been ongoing for many years, out of necessity I might add. Changing market conditions and economic downturns in the major resource sectors have forced regional economies to develop new markets and new strategies.

Diversified industrial sectors play a vital role in northern Ontario's economy. The focus of tourism has expanded to include non-traditional and non-consumptive vacation packages which complement the more common products of fishing

*Government Orders*

and hunting lodges. This new brand of ecotourism is not replacing the traditional tourism market but rather diversifying a strong sector.

In the past our resource sector consisted of pulp and paper mills and gold mines only. These mills and mines are still the backbone of the northern Ontario economy but now we realize there must be a concerted effort to diversify.

Companies are now concentrating on secondary industry by manufacturing wood and mineral products instead of exporting raw materials. The production of wood furniture and mineral products such as granite headstones is indicative of a diversified economy taking shape in northern Ontario.

Secondary manufacturing such as printing products and packaging and, yes, leading edge technology in a vast array of fields from computers to agriculture and telecommunications is the new wave of economics in northern Ontario and rural regions across the country. This is why Industry Canada profoundly affects rural Canada as well as urban Canada. This is why northern Ontario is keenly interested in the structures within a new department of Industry Canada.

Although I have just cited fairly large resource sectors, there is another area important to my riding and the rest of the country which Industry Canada must service efficiently to promote economic growth and that is a topic that I have raised many times in the House, the area of small and medium sized businesses.

The initiatives and new mandate of Industry Canada are essential tools for small business growth. In order to become more efficient and gain access to large markets, small business across the country must be provided with a network of services and information so that skills can be acquired to start new innovative operations as well as expanding traditional businesses.

Federal developments important to the success of the small business sector include the Canadian Technology Network, Canada Investment Fund, engineers and scientists programs and the much talked about information highway.

(1530)

Networking and sharing of market information are absolutely crucial to building competitive companies in the global marketplace. Organizations such as economic development offices, centres of excellence, and the new local training boards must develop networks so that business can access the tools they need to remain competitive. Industry Canada is actively promoting such a network with its new initiatives.

New changes to the Small Businesses Loans Act, the Federal Business Development Bank and the formation of a new relationship between financial institutions and small business are

also areas important to business and industrial progress. I took part in a task force hearing in Ontario with my colleagues examining a new code of conduct for banks and small business. Granted, changes will not take place overnight. It is this type of initiative that small business will need to survive in the new marketplace.

Gaining reasonable access to capital dollars has been a distinct problem for small and medium sized businesses attempting to expand or establish new ventures. We need these companies to create new jobs and fire the economic engine.

Industry Canada is one of the federal departments working to enhance financial conditions for Canadian companies. Industry Canada will also work toward other objectives to strengthen our potential for economic growth. Eliminating duplication of business services and regulations between federal and provincial governments is an important step in making it easier for our industrial sectors to flourish.

Industry Canada is vigorously pursuing new and practical partnerships with different levels of government. Combine this action with programs that are developed in co-operation with the private sector and we hope to have a new industrial structure in Canada that promotes growth and prosperity. I acknowledge that the private business community will lead Canada's economic recovery, but we in government on this side of the House strongly feel there is a constructive role to play for departments like the Department of Industry.

Specifically I do not blame the industrial sector in northern Ontario if it feels the previous government left it out in the cold during tough economic times. Unfortunately it was the attitude of the federal government to feed struggling companies to the dogs. Liberals, I might add, do not think that is the way we should go. We do not want to throw good money after bad money, but far too often companies needing only a small amount of support to get over the hump were ignored and died a very quiet death.

In the past I have suffered alongside business people in my riding who were unable to access appropriate government services and funding programs. Business proposals with excellent promise were often ignored because of patronage attitudes, a lack of vision within the federal government and plain old bungling. I hope we can eliminate that in the future.

Programs and services being developed by Industry Canada are designed to identify struggling companies with a potential worth saving. That is the Liberal way of building a strong economy.

In conclusion, I return to the resource sector in northern Ontario and the rest of Canada. Primary resource industries not only provide revenues, jobs and valuable exports, but they also spark secondary industry. This economic process is vital to my riding and all of northern Ontario.

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Secondary industries, or clusters as they are known in the current terminology of new age economics, spin off from a strong resource sector and form all sorts of companies providing jobs and stability. It is of the utmost urgency that Industry Canada follow through with the promising initiatives created by this new federal department. The new and revitalized role of Industry Canada truly has the potential to forge a solid economic framework in the country. The new mandate of federal departments like Industry Canada is to nurture co-operative partnerships on which we can build an effective national economy.

I am confident that regions such as northern Ontario will now at least have a fighting chance to take advantage of a healthy business environment, due in large part to the development of practical effective federal programs.

(1535)

**Mr. Jim Abbott (Kootenay East, Ref.):** Madam Speaker, my constituency happens to be virtually a mirror reflection of the hon. member's constituency. I understand the whole business of resource base and the business of having to diversify.

I was very encouraged this morning when the finance minister said: "Equally we believe that regional economic assistance should focus on genuine opportunities that have the potential to be self-sustaining. We intend to concentrate, for example, more on tourism and on the creation of a positive environment for small and medium sized businesses, the multinationals of tomorrow. At the individual level, as our social security reform proposals make clear, we also believe there is a need to change unemployment insurance, building on reforms begun in last February's budget".

Using exactly the same context in the very next paragraph that follows he said: "The current system is outdated social policy. While it has worked well for a lot of people, for too many others the UI system does little or nothing for their self-esteem or success. But the current UI system is outdated economic policy too. It encourages chronic use and repeat use of the program by businesses and individuals. It is a barrier that prevents people from adapting to changes that are unavoidable and opportunities that are present. Therefore we intend to take measures that will bring UI back closer to what the term says, insurance".

I would like to ask the hon. member two questions. First, during the course of the last election I am sure the hon. member will have run into a Reform candidate somewhere along the line. I would rather suspect that Reform candidate said exactly what the Minister of Finance said this morning, that unemployment insurance should be returned to its original purpose, insurance.

I would be curious. What did the hon. member say in those particular situations? I would suspect that his constituents might be interested to see if what he is saying today, reflecting on what the minister who is a leader in his party is saying, is actually

parallel to what he was saying during the course of the campaign.

Was he like other Liberal members attacking Reform Party people who were saying unemployment insurance should be returned to its original purpose, insurance, or was he agreeing with the minister? Is there a consistency in his position?

**Mr. Nault:** Madam Speaker, yes, I did run into Reform candidates in the last election, which I found to be quite interesting. The member should know two things. I very much followed the platform of the Reform Party, simply because if I was going to run against somebody I should know what my opposition was saying.

Reform Party members did not say that they were just in favour of bringing UI back to its original intent of insurance. They were saying they wanted the government to get out of UI completely, to privatize UI and put it in the hands of the employers and the employees or, more important, in the hands of the business sector and let it run the whole show.

The member has to be a little more frank and open when he says that what the minister said today in his paper is identical to what the Reform Party said. There is a very significant difference between what was said in the paper today and what the Reform Party said during the last election campaign.

During the campaign I said—and we have said it continually in the House and I will say it again—that the UI system as it is presently working is ineffective for people in regions like mine because it puts them on a treadmill. Because of the problem created by the regulations as they now exist, businesses use UI as a means of augmenting their business and their existing revenues within the company structure.

I am a railroader. I have three railway terminals in my riding. At the height of the transportation of grains and other commodities at a certain time of the year there are hundreds more employees working in the railway industry than in winter months. As soon as they get enough weeks the railway lays them off. The industry is compensated by having individuals who are technically sound come back into the business when business picks up. Who pays for that?

(1540)

**An hon. member:** They get a subsidy.

**Mr. Nault:** Obviously, it is a subsidy. I have questioned that for a number of years and it is only one example. Those are things the minister and the government are trying to change so that people will be able to improve their lot without being on a treadmill.

In conclusion, this morning the minister referred to diversifying northern Ontario and having regional development programs that do two things. They access dollars for the

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diversification of regions like mine. We continue to say that. We still say that and the minister has said that.

We have also said that we want to focus on a business relationship more than subsidies, wherein we will give loans and encourage businesses to succeed by having a fair regional development program. That is very consistent with what we all have said in the past.

By taking the criticisms of the finance minister out of context the member is suggesting that somehow we have changed. In fact we have not; we are still saying what we said all along.

**The Acting Speaker (Mrs. Maheu):** We are now in a period when all speakers can speak for 10 minutes and there are no questions or answers.

**Mr. Charlie Penson (Peace River, Ref.):** Madam Speaker, I am not sure if I am hearing a drum roll over there or something more serious is happening; it is a bit disconcerting.

**Mr. Abbott:** A drum roll for your speech.

**Mr. Penson:** Yes, that is what it is.

I am pleased to have the opportunity to speak to Bill C-46. The bill clearly demonstrates the government's vision of how business should be carried out in Canada, with a ball and chain tied to one leg.

As far as business is concerned the bill is taking industry in exactly the wrong direction. Business is not crying out for regional development grants. In most cases, when such money is withdrawn the enterprise that was initially helped by government money fails.

Business is not crying out for more programs and more bureaucrats to administer them. In fact the opposite is the case. It should be government's role to provide an environment where business can operate freely and do what it does best: creating competitive goods, creating services on one hand and sustainable employment on the other.

Instead Bill C-46 gives the minister wide-ranging powers to create an environment in which government is the central tool of economic development and where government establishes policies and programs for specific groups and industries. Surely we must learn from the lesson of the former east bloc countries: government intervention does not work.

If taxpayers had all the details of how their hard earned money was spent in the past in the so-called national interest, they would be outside picketing right now. The cabinet should have no right to alter significantly any industry or company in favour of another. Companies and industries must be able to enter and exit the market on the basis of their financial viability. All industries and organizations must face a level playing field and

evenhanded policies that facilitate and improve on trade and commerce within Canada.

Governments must learn to let industry stand on its own and die on its own. In the west we have seen the national energy policy and we have seen Petro-Canada. We know the results of government interference and excess of ministerial direction.

It is time to rein in an overbearing government and let Canadian businesses push the country forward. Instead the government insists on having its nose in the workings of the Canadian economy through micromanagement of industry. It is an unacceptable intrusion in all sectors of the economy. The government must devise national policies and stay out of influencing Canadian industry, organizations, regions and provinces in a piecemeal manner.

The Hibernias, Novotels and Lloydminster upgraders of the country should be things of the past. Unfortunately they continue to place a heavy burden on Canadian taxpayers and distort allocation of Canadian human and physical resources. Successful governments, including this one, have still not learned that these projects do not work.

The bill gives a blank cheque to the Minister of Industry to fund projects at will. Canadians remember the individual projects awarded to Shawinigan and Baie Comeau. That was done by the past government, but we seem to be following the same road here. They remember the millions of dollars funnelled into projects of no economic benefit, starting with changes to the mandate of the Department of Industry and responsible to the minister. Reform believes these kinds of projects should be eliminated.

(1545)

No less out of date is part II of this bill which relates to regional economic development. At one time regional economic development was perceived as a means of reducing regional disparities. Regional economic policy has been in existence for a long time and is widely condemned by economists as a means of creating economic dependence, not economic development. Since its inception regional development policy has been about pork barrelling and perpetuating dying industries. In their heart of hearts I am sure everyone in this Chamber knows or at least suspects this.

The government should admit that regional development starts and ends in the regions themselves. The purpose of the government in the Department of Industry should be to develop national policies and facilitate trade and commerce within Canada, not to provide goods or services that the private sector should and could provide for itself and not to try to manage Canadian industry.

Let me mention some of the things businesses are asking of the government. I take these items directly from the task force



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paper released in September 1994 and prepared for the Business Council on National Issues.

Industry wants balanced government budgets with low levels of public indebtedness. Industry wants competitive levels of taxation that encourage savings and investment, things that other countries such as China has. Industry wants international economic policies that promote aggressive trade development and diversification. Industry wants a federation characterized by free trade internally and smaller and more efficient governments working more closely together.

The Department of Industry cannot give businesses balanced budgets, competitive taxation levels and internal free trade by distributing grants or delivering programs. I cannot help but wonder if the government is at odds with itself in the design of this bill.

Today, in this very Chamber we heard the member for Kootenay East refer to the Minister of Finance and his press release, explicitly stating and I quote: "That the private sector is the core of the economy and that government's role requires a fundamental redesign". I quote the Minister of Finance as well: "If Canada is to become more productive, government must become more productive too. We must shift from trying to fix every problem ourselves. And if government activities still do not serve a significant public purpose they should not be continued. I say let us go to it and eliminate grant giving and regional development programs altogether". The Minister of Finance has more to say on the subject: "Restoring the fiscal health is essential. If we do not do that job we will fail at everything else". He is absolutely right.

Here is an opportunity to create enormous savings. One department is being created out of four: the department of industry, science and technology; the broadcasting side of the department of communications; Investment Canada; and the department of consumer and corporate affairs. These changes were put in place under the previous short-lived government before it became apparent how Canada's fiscal situation really was.

Could not more have been done to bring fiscal sanity to bear here? Out of 6,000 positions within these four departments only 230 are being eliminated. That is less than 4 per cent. Out of a budget of \$3 billion only \$26 million is being eliminated. That is less than 1 per cent. I suggest that the proponents of this bill get hold of the press release of the Minister of Finance and study it.

The government does require a fundamental redesign, as the finance minister puts it. In the area of industry a whole new model is required. The federal government's goal in the industry department should be to establish and maintain a culture that rewards entrepreneurship, innovation and research, and which ensures a level, competitive and honest marketplace.

(1550)

Hand in hand with this approach should be government policies that encourage free markets, enhance competition and treat all individuals and groups equally. Such policies will see too that business can trade fairly within Canada and that tax rates allow business to be competitive.

These are the kinds of changes industry requires for the 21st century. I hope the government is listening and will make the required changes so Canadian industry can compete and be healthy in the future.

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Madam Speaker, I am very pleased to have the opportunity this afternoon to discuss Bill C-46, a reorganization of the industry department. It is an important piece of legislation. A large number of activities which are going to affect the business community are being brought together into one department: small business support; tourism; economic development; telecommunications; trade and commerce; science; and consumer affairs.

The thrust of the legislation in what it is trying to accomplish is very positive. We are trying to make the department more efficient. We are going to give the small business sector and the business community in general one stop, the Department of Industry, in which to interface with government rather than having to go through a paper chase every time.

It is going to be a more efficient process. We are going to have a number of consolidations. The member opposite mentioned some of the savings that are beginning. Those will be accelerated as time goes on. We are going to have a more productive department. We are going to have centralized planning and direction for our government's industry policy. This consolidated department will give us the opportunity to do that.

There are three specific areas I would like to talk about: small business support; tourism; and regional economic development.

Small business support by the Department of Industry is absolutely critical to the Canadian economy. It is the fastest growing component of our economy. In the first three years of this decade during one of the worst recessions we have ever experienced, 73,000 new small businesses were created. Eight of ten new jobs in the country come from the small business sector. It employs 4.2 million Canadians and accounts for 37 per cent of the country's employment. This new Department of Industry is undertaking a number of important initiatives to help this sector grow, to help it expand, to help it employ more Canadians.

One of the most important initiatives which I have had some direct input on and one which my colleague for Kenora—Rainy River mentioned was access to capital. It is absolutely essential that the small business sector be able to access both debt and equity capital if it is going to have an opportunity to expand or an opportunity to establish new businesses. The department has already moved in this area. A private sector committee es-

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established last winter has been studying this issue. It is about to make a report with some very specific recommendations on how an environment can be created within which small business can access capital.

The department is working with the chartered banks, with this committee and others on a code of conduct. It will establish the relationship that will exist between the small business sector and the banking community to help ensure there is better access to capital.

There is an ongoing review of the Federal Business Development Bank to make it more effective and more responsive to the needs of the small business sector. An all party committee of this House, the industry committee, will table within a couple of days its report with some very thorough and sound recommendations on how this process can be taken even further.

I had an opportunity earlier this year to chair an access to capital task force. It toured the province of Ontario and discussed with the small business sector some of the things that can be done to help them access capital.

Beyond that the department is doing other things. It is helping formulate business networks to help individual small businesses combine their strengths so they can compete globally. They are working on establishing a Canada investment fund to help innovative firms access venture capital, to operate not as a replacement for capital from the private sector but as a stimulus for entry into those markets.

(1555)

There should be better access to government programming through business service centres. This is an important initiative. Small business people do not have the time to go through reams and reams of paper trying to access information. They need it to be given concisely and in one location. This is an important initiative that is being undertaken co-operatively with the provinces.

There is a private sector committee working under the auspices of the industry department looking at the business environment, including the regulatory and paper burden that small businesses have to operate under today. We have to relieve the small business people from spending more time on paperwork than doing their jobs and more time on trying to adhere to regulations than trying to earn profits and employing people.

The second area is tourism, a critical industry in Canada and a critical industry in my riding of Parry Sound—Muskoka. Representing 10 per cent of the Canadian labour force, 1.2 million jobs depend on this sector. In Canada 60,000 businesses are directly employed in the tourism industry. It generates \$12.9

billion in tax revenue which can be used for the betterment of all Canadians. Locally in my riding 52 per cent of all employed individuals are directly affected by the tourism industry. For each million dollars that we are able to increase tourism in my riding we can create 39 person-years of employment.

Industry Canada through Tourism Canada is working hard on making that a bigger and better industry in this country. It is helping to formulate partnerships with the private sector so that we can market ourselves internationally as a country and attract more visitors to Canada. They are concentrating on the development of new products such as a winter experience product including snowmobiling and cross-country skiing, areas of vital concern in my riding where people are able to earn their livings.

This is not going to be the end. It is the beginning. As the Minister of Finance said today in his statement, the area of tourism is one the government will concentrate on in the months ahead. As well, the Prime Minister appointed his special advisor to recommend further action. Tourism will be looked at by this government. It will be pursued and will become an even more important industrial tool in Canada.

The last area I would like to touch on very briefly is the area of economic development. Something that is often forgotten in all of the plans is that in northern Ontario we are a resource based economy which has experienced great financial difficulties over the years.

The economic development agency FEDNOR operates in northern Ontario. I agree with the Minister of Finance and several other comments in the House that we cannot subsidize a losing proposition and expect it is going to have any meaningful impact. However, economic development agencies can invest in the future winners. It can help lever investment from the private sector. In fact FEDNOR has committed \$53 million directly but by doing so it has been able to lever \$186 million in additional funds. That is what economic development agencies are all about. That is what they do.

FEDNOR has participated in 843 projects since its inception and it has helped create or maintain over 3,600 jobs. FEDNOR is an important initiative for northern Ontario. It is one under the auspices of the Minister of Industry and I am pleased to see it will continue under the reorganized department.

In summary, this bill is committed to creating a department which will create an environment in which business can prosper. The reorganization of the department will help this happen. It will make it more efficient, more effective and more productive. I would like to congratulate the minister, his assistants and the people of his department on a job well done in formulating this piece of legislation.

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**Mr. Tony Ianno (Trinity—Spadina, Lib.):** Madam Speaker, I am pleased to speak on Bill C-46, the Department of Industry Act.

Our nation faces many challenges. Canada can no longer rely solely on its natural resources. The demands of the future cannot be met by supplies of the past. We must develop in ourselves and in our industries the skills needed to challenge the conventional ways of competing at home and abroad.

(1600)

The competition we face abroad requires us to create new skills among our workforce and a new vision in our industry. A country that solves its own problems and competes successfully with others stays strong and independent. We must begin competing as a team against our international competitors.

This bill will allow the formation of a framework with which we can begin to build Canada's industrial strategy.

The newly created Department of Industry will work with all sectors of the economy to facilitate partnerships between government, business, research centres and labour. An industrial strategy will enable us to better compete in the global marketplace.

We must also foster a climate to encourage Canadians to develop an entrepreneurial spirit that harnesses their skills and creativity. As we know, small and medium sized businesses are the engine of our economy and that is why they must be an integral part of a national industrial strategy.

The small and medium sized businesses of today with the right climate can become tomorrow's multinationals. In order for us to achieve economic growth we must use our limited resources more effectively to encourage entrepreneurs to create the wealth by becoming innovative and helping to expand our export economy.

Canada's exports account for about 40 per cent of the total output of the private sector. One in five Canadian jobs is directly dependent on exports. One billion dollars of exports translates into 15,000 new jobs. That is why the government is aggressively pursuing international trade opportunities.

The creation of this department will help set the framework of achieving the government's objectives, the creation of jobs and economic growth by encouraging businesses, labour and institutions to work together in setting goals and striving to achieve them.

This will enable us to achieve a stronger economy and a better standard of living for all Canadians. Canada already is home to companies that are at the leading edge in their field such as telecommunications, biotechnology, environment and health care, et cetera.

What we must do is facilitate the greater success of these industries in an ever competitive international climate by ensuring that the environment here at home is conducive to the continued achievement of excellence.

Through business networks our government has initiated the sharing of information among diverse sectors of the economy, enabling them to compete internationally, such as the business corporation network which enables Canadian firms to access thousands of partnering opportunities in 36 countries.

Another example is the advisory council made up of diverse business interests working together on the development of the information superhighway, not only for internal use but also for the export market.

We must also improve the efficiency of our industries by allowing them to compete more effectively within our borders. Canada is hampered by many internal trade barriers. The cost of these barriers to Canadians is as high as \$6 billion annually.

The Minister of Industry, working in co-operation with his provincial counterparts, has already begun and continues to reduce these barriers to assist the free mobility of goods and services.

Without the innovations of basic research industry will stagnate. Countries such as Japan, Germany and the U.S. spend a far greater proportion of their GDP on research and development than does Canada. To compete internationally we must use our limited resources by working smarter in partnership with existing institutions in the private sector to find new technologies that can be applied and marketed both internally and abroad.

With this bill we will fulfil our responsibility as co-ordinators of the vital relationship between research and industry and promote the fullest use of science and technology from the conception of an idea to its fruition in the international marketplace.

In order for the government to continue to strengthen its support of basic research and its industrial applications we must be able to obtain royalties from research that succeed in being used in the industrial applications in order that these moneys can be reinvested in future research.

(1605)

Small and medium sized enterprises must be in a position to obtain and capitalize on the innovations of Canadians as they develop these new technologies. Our government will continue to streamline programs to assist the small and medium sized enterprises to foster these new technologies.

In order for these small and medium sized enterprises to succeed access to capital is vital. Along with the reduction of red tape and the burden of the GST our government has already begun the process of streamlining programs and eliminating

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some of these obstacles that impede the growth of small and medium sized enterprises.

We must encourage competition among financial institutions to ensure that we give our SMEs as much access to capital as possible. Along with these initiatives our government has increased funding to and the role of the FBDB which will play a more active role in aiding our small and medium sized enterprises.

As a member of the industry committee I studied the issue most critical to the SMEs which is their inability to access capital. We will putting forward our recommendations tomorrow. Along with those recommendations that will be tabled tomorrow I will be making an additional recommendation to my caucus and colleagues which is to encourage the chartered banks to achieve a target of lending to small and medium sized enterprises of 33 per cent of the total corporate loans, a ratio of one to two; that is, for every two dollars lent to large businesses one dollar should be lent to small and medium sized enterprises.

If the banks comply with this recommendation the capital available to the small and medium sized enterprises will increase from \$30 billion to \$45 billion, an increase of 50 per cent. Two banks are already achieving this target on their own.

The industry act will help our business become more innovative, efficient and be armed with enough capital to compete internationally. We must take advantage also of our well established international reputation to take Canadian business to the world and also to bring the world to Canada.

Our tourist industry already accounts for more than 500,000 full time jobs and more than 60,000 enterprises. Last year visitors to Canada contributed \$9 billion in foreign exchange to our economy and Canadians added a further \$18 billion while travelling within the country.

A national tourism strategy will be undertaken with the public and private sectors to restructure and improve Canada's tourism. A comprehensive marketing program both domestically and abroad will help reduce the \$8.2 billion travel account deficit as well as improve industry competitiveness.

My constituents of Trinity—Spadina are looking forward to this revitalization of tourism. We must market Canada to the people of the world with pride and invite them here so that they can share with us the beauty our country has to offer. I believe this bill will enhance the streamlining required to make Canada's industries competitive in the global marketplace.

The framework is set to establish a comprehensive industrial strategy which will allow our governments to be the catalysts in achieving our common goals. By helping to co-ordinate these partnerships we will stimulate economic growth and at the same

time reduce the deficit and increase the standard of living for all Canadians.

**The Acting Speaker (Mrs. Maheu):** It is my duty, pursuant to Standing Order 38, to inform the House that the question to raised tonight at the time of adjournment is as follows: the hon. member for Kootenay West—Revelstoke—Pearson International Airport.

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Madam Speaker, I wish to address my remarks with regard to Bill C-46 starting with the explanation of why the Reform Party had a subamendment which my colleague presented to the House to include that not only should Quebec be recognized but that rather all the provinces should be recognized. We put this into the framework of the Reform's vision for the department.

I would like to now recognize some of the remarks that have been made by my colleagues opposite. If all of those things that they are talking about, the industrial development that is going to take place, the research and development, the integration of research with industrial development, take place it will take place not because of this bill but in spite of the bill.

We believe the department needs, like all governments, a set of guiding principles and policies, a mission if you will. I would like to state that once again. We believe the role of the Department of Industry is to establish and maintain a culture which rewards entrepreneurship, innovation and research, and ensures a level, competitive and honest marketplace.

(1610)

To achieve that means to decentralize, not to centralize control. We need to emphasize the reduction of the ability to interfere in the marketplace, and this bill does exactly the opposite. What this bill does is allow the minister and the cabinet in particular to interfere in the marketplace. There must be an emphasis on improving the ability of the marketplace to self-regulate, as was so clearly demonstrated by my colleague. Serious intervention by the government and by the minister in particular should be in emergency cases only.

The national interest must be clearly defined by the people of Canada through Parliament, and in extraordinary circumstances by a national referendum, and not be left in the hands of the cabinet as this bill does.

Regional development is in particular the focus of our amendment. Many fundamental problems that exist in the marketplace today arise not because of the fact that the marketplace was allowed to operate but because there was intervention in the marketplace. Many scholars and former senior mandarins of this and related departments have noted that a national industrial strategy and regional development strategies are mutually incompatible. They fight against one another. We heard my

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colleague mention that with regard to subsidies and grants in particular.

The federal government should treat all regions of Canada equally and provide a level field so that people can compete on an equal footing. Fair treatment would eliminate the need for a minister to decide between the national interest on the one hand and the regional interest on the other.

Regional political patronage and, just as important, the temptation to engage in it would be removed to a great extent if the instrument of regional development were done away with. Better efficiency within the department should be realized.

The history of the department coupled with this proposed reorganization shows that this minister has chosen not to exercise leadership, but rather to accept as a *fait accompli* what was there with the previous government which was a Progressive Conservative government. This government in this bill is perpetuating the confusion and lack of solid direction that existed before.

I want to draw particular attention to some of the things that have happened with regional development. They are an excuse very often for the pork barrelling patronage that goes on. They have represented slush funds in the history of Canada.

Let us talk in particular about Shawinigan for a moment. Shawinigan turned into a canoe specialist area, with the federal government's infrastructure contribution to the canoe hall of fame this year. The canoe hall of fame may be portrayed as regional development but it is certainly not an infrastructure program as Canadians understand it.

When Canadians voted this government in last fall they expected two things from the red book: integrity in government and sound fiscal management. I contend that the record thus far has shown they did not get either.

Projects across this country similar to the Shawinigan one may be noted and we need to look at some of the ways that money has been spent. It does not matter whether the projects are under the infrastructure program or the regional development agencies, it is a pork barrel at its worst.

Let me give a few examples. The list is long but I will refrain from going through the whole list.

Twenty thousand dollars was given to a Quebec fashion industry gala at Montreal's Olympic Stadium; \$500,000 for the Upper Humber Golf Club in Deer Lake, Newfoundland; \$89,434 for an Acadian wax museum in Caraquet, New Brunswick; \$150,000 to develop a program to educate teachers in Cape Breton about economic development; over \$500,000 for boccie courts in Toronto; \$5 million to help Peter Pocklington improve

Northlands Coliseum and Ducey Park in Edmonton; \$25,000 to study the possibility of hosting the International Pan-Celtic Festival; and \$224,000 for Rita McNeil's tea room and gift shop. It is all too sad that these types of projects are the norm and not the exception. There are some noted good projects as well, but these are the kinds of examples that should not exist at all.

(1615)

A new parity is needed, one where the free market is allowed to operate freely with competition and let the best one win, not the government deciding who wins and who loses.

I conclude with these words. We should establish a marketplace, an industry department that establishes and maintains a culture and rewards entrepreneurship, innovation and research and ensures a level, competitive and honest marketplace. Hand in hand with this approach are government policies encouraging free markets, enhancing competition and treating all individuals and groups equally. They are the kinds of policies that will make Canada strong and prosperous in the 21st century. These are the kinds of policies we support.

[*Translation*]

**Mr. David Berger (Saint-Henri—Westmount, Lib.):** Madam Speaker, I welcome this opportunity to participate in the debate on this bill to establish the new Department of Industry.

As you know, the department is given wide powers including not only functions previously assigned to the former Department of Industry, Science and Technology, but also certain functions of the Department of Communications and the former Department of Consumer and Corporate Affairs.

The Department of Industry is responsible for the administration of government programs in support of the industry, including small businesses, tourism, science and technology. All government activities relating to science and technology come under the Department of Industry, including those carried out by agencies like the National Research Council, the Canadian Space Agency and the Natural Sciences and Engineering Research Council, just to name a few.

Telecommunications policy, consumer protection and corporate affairs in Canada come under the Department of Industry. This is a very wide mandate.

Naturally, this bill deals with government organization. And while organization is important, it is the policy set forth by the department that is the essential factor. The department objectives are stated in Section 5 of the bill:

- (a) strengthen the national economy and promote sustainable development;
- (b) promote the mobility of goods, services and factors of production, [—]and of trade and commerce in Canada;

(c) increase the international competitiveness of Canadian industry, goods and services[. . .]

And the list goes on. My point in quoting these examples is that this government's action is in fact based on Chapter 3 of the famous red book, the Liberal electoral platform. This chapter is entitled "An Innovative Economy". I would say that this document, the red book, was innovative in that it emphasizes the importance of the small- and medium-sized businesses in the modern economy.

Let me quote briefly from page 47 in Chapter 3 on an innovative economy, where we read that a "Liberal government will focus on small- and medium-sized businesses because they can and must be the determining factor in turning around what has so far been a jobless recovery". Small- and medium-sized businesses employ 36.7 percent—almost 37 percent—of the labour force and account for roughly 40 percent of our gross domestic product. They have recently—in the 1980s—been responsible for up to 85 percent of new job creation in Canada.

(1620)

In its electoral platform, the government undertook to improve access to capital for small- and medium-sized businesses. The industry committee has spent the past six or seven months reviewing this issue and will be tabling its report tomorrow. The government also promised to establish a Canada-wide technology network. Plans to that effect have already been announced. Here is another example. The government promised to promote technology partnerships between universities, research institutions and businesses, with a view to focusing on commercial applications of research and development.

Since coming to power, the government has embarked upon widespread consultations on the expansion of science and technology. Such consultations are carried out under the direction of the Minister of Industry, Mr. Manley, and the Secretary of State to Science, Research and Development, Mr. Gerrard.

[English]

I do not think members would find it surprising for me to say that I believe the industry committee has a particularly important role to play in policy development. Being the chairman of the committee, I suppose it is only normal that I would say that. Committee work may not always appear to be glamorous but it is in committees that the nuts and bolts of government policy become reality.

Tomorrow we will table our report on small business financing. The report deals with financing but it also tries to provide a context. We try to address the significance of small- and medium sized businesses in today's economy.

I referred earlier to the off-sided statistic that small- and medium sized business accounted for 85 per cent of the jobs that were created in the 1980s. Small businesses are important to job

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creation and community cohesion but there is more to it than that.

Not all small businesses have the potential to become medium sized businesses or big businesses. We need policies that address the needs of small businesses with strong growth potential. We also need to concern ourselves with the interactions between small and large businesses.

We need to be conscious of the competitive environment in which all Canadian businesses operate. We address these questions in the report that we will be tabling tomorrow. I hope the report will contribute to the debate and lead to policies that respond to the needs of Canadian businesses, small, medium sized and large.

[Translation]

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Madam Speaker, thank you for giving me this opportunity to speak to Bill C-46, an Act to establish the Department of Industry. The year 2000 is drawing near. With technology, the global village has become a reality. All sectors of activity are interconnected. It has become impossible to work in isolation.

At the same time, the difficult economic times we are going through force us to streamline, to be creative, to do more with less. This is exactly what the government is doing. It is integrating two key sectors under one department. It recognizes the major links that exist between the various sectors, particularly between science, research and technology, communications and industry. It is streamlining the government administration, making it leaner, thus producing substantial savings.

(1625)

This bill puts into action the recovery plan announced by the Prime Minister last month in Quebec City, to improve the business climate for entrepreneurs, help businesses gain access to new technologies, seek expanding markets and promote tourism.

The Department of Industry is ideally suited as the focal point for the efforts put forth by all the economic development stakeholders, and this is very important in the province of Quebec.

There is no doubt that Quebec entrepreneurs are dynamic, imaginative and competitive. The success of what we call "Quebec Inc." is envied and copied far beyond the "belle province". But there is no doubt either that the federal government has provided precious and beneficial support to many businesses in Quebec.

A study by professor Gérald Bernier, of the University of Montreal, shows that, between 1970 and 1989, the federal government paid \$3.9 billion in grants and loans to Quebec businesses.

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We will also recall that it is thanks to export credits that Bombardier was able to secure the contract to manufacture subway cars for the New York subway system. That is how Bombardier broke into the international market of transportation. A few years later, the aerospace division of Bombardier bought Canadair from the government of Canada. Of course, you know this company well, Madam Speaker, since it is based in your riding. Bombardier took advantage of extremely easy conditions for the purchase of Canadair. It was also awarded a contract worth over \$1 billion to maintain F-18 fighter aircraft, which is how Bombardier penetrated the aerospace market.

Same thing for Bell Helicopter. The Canadian government invested \$165 million to convince the Texas company to settle in Quebec. The list of striking examples could go on and on and take up hours of this debate. What is most striking is that the government helps Quebec businesses in high-tech sectors, in sectors with good, permanent, well-paid jobs.

It must also be realized that the industry with a capital "I" is not limited to what it used to mean in the past. It goes beyond heavy industry and manufacturing. It represents the sector of society which generates wealth and promotes well-being. It covers financial aspects such as investments, human aspects such as consumers, as well as economic aspects such as the small- and medium-sized businesses my colleague eloquently talked about earlier.

This single name, Department of Industry, includes all the key factors that will enable Canada to set an innovative economic policy for one purpose only: to promote employment-generating growth. That is our goal. Putting consumers and businesses under the same departmental roof is an innovative idea.

Government officials and business people increasingly realize that industrial growth is a result of the interaction between them. This interaction allows businesses to design better products, develop sound corporate strategies and face global competition. We reinforce this principle of interaction by ensuring that consumers can be heard whenever policies affecting Canadian markets are put in place. In an ever changing market, it is essential to listen to consumers right from the start of the production process. This avoids costly adjustments afterwards.

The same goes for science and technology, regional development, small- and medium-sized businesses, and Aboriginal economic development. All these voices will be heard when policies are developed, agreements negotiated and decisions made. Science and technology will then have the impact needed to create an innovative economy. The \$6 billion injected into this sector will thus yield the highest returns possible.

In the age of the information highway, adding telecommunications to the Department of Industry's responsibilities shows the increasingly important role of this sector as an engine of the Canadian economy.

(1630)

In addition, small- and medium-sized businesses will remain among our priorities because this sector is the best source of long-term jobs. Initiatives such as the recent agreement on internal trade are another important step toward more open markets.

By eliminating over 700 barriers to the free movement of people, goods, services and investments, we will be more efficient and competitive. This is a concrete example of federalism in action.

We can never say loudly enough or often enough how important it is for everyone to co-operate in ensuring our economic and industrial development. Each fight, each confrontation, even each moment of hesitation, is costing us dearly in terms of lost investments and jobs that are not created.

That is why I am happy that the Prime Minister of Canada has asked the leader of the Quebec government to reconsider his decision not to participate in our major trade mission to China in two weeks.

We all understand that the Premier of Quebec is very busy forming his government and preparing for the next parliamentary session. This is certainly a very important and demanding stage, but it should not exclude everything else. In fact, the leader of our government faced exactly the same conflict soon after we were elected last year. He even described this experience in a letter he sent to the Premier of Quebec last week. The Prime Minister wrote this: "I remember the difficult decision I made to participate in the first Asia-Pacific Summit in November 1993, only a few days after my government was sworn in".

As the old saying goes, when there is a will, there is a way. The Quebec premier could concentrate on the most important days of the trade mission if his schedule does not allow for any more time. The important thing is that Quebec be represented by its premier, putting it at the same level as the other provinces. We want to show our trading partners that we are serious, consistent and well organized. All that is important to help Canadian businesses establish themselves on the new Asian markets.

That is why, as the Prime Minister so logically explained, we have asked Mr. Parizeau to reconsider his decision and participate personally in the Canadian mission to China. Quebecers from all regions and of all political stripes will be grateful to him.

I know that my time is up.

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[English]

**Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.):** Madam Speaker, I am happy to participate in this debate on the bill to reorganize the Department of Industry. The red book foreshadowed this bill. Like this bill its main focus was on small and medium sized businesses as a determining factor in turning around the Canadian economy. It acknowledged that the growth of these firms is essential to creating jobs for all Canadians.

Several initiatives have been announced as part of the small and medium enterprise agenda. A new fund has been established to help expand existing businesses through the Federal Business Development Bank. As well, the Canada Community Investment Fund has been announced to ensure equity financing for smaller firms.

Part of the role of this bill is to focus on the importance of tourism to the Canadian economy. It must be recognized that the money government puts into tourism we get back within 90 days. We get this money back not tenfold but many times that rate.

In 1992 as an example, tourism generated \$28 billion in sales revenue for Canada. In the same period the federal government through Industry Canada had a tourism budget of \$23.2 million. Every federal dollar spent on tourism contributed \$1,201 in sales revenue in Canada in 1992.

Canada's tourism industry also had a significant impact on our current account, contributing \$8 billion a year. Tourism employs more than half a million Canadians directly and generated jobs faster than the economy as a whole over the past decade. It is an industry to be recognized. As well, the analysis shows that tourism affords solid opportunities for income and employment generation in all regions of Canada. Current favourable economic conditions offer an excellent opportunity to exploit more fully Canada's international competitive advantage, its clean, safe, natural environment and support industry efforts to attract more international tourists, thus increasing revenue for Canada.

(1635)

It is my belief that the tourism industry affords an opportunity to provide entry level work and job experience for young Canadians and for groups that traditionally have had more difficulty obtaining employment. Almost 40 per cent of the people working in tourism are under the age of 25, nearly double the proportion of young people in the general labour force.

The tourism industry is also an important provider of jobs to the unemployed. It is a stepping stone for back to work after unemployment, particularly for the young. Sixty per cent of the people who get work in tourism get that work after a period of not working and are under the age of 25.

This government recognizes the importance of this industry and we support it accordingly. The support is shown by the Prime Minister's initiative and appointment of the Hon. Judd Buchanan to work with the government and the private sector to make recommendations on how to increase Canadian tourism and revenues.

I had the opportunity to meet with Mr. Buchanan to discuss tourism concerns in my area of the country and I look forward to Mr. Buchanan's recommendations which I understand are to be made public soon.

In my riding we have the basis for creating an excellent tourism industry. Essex county and the city of Windsor have a wide degree of tourism oriented businesses. We have such historical sites as the Park House, Fort Malden, the North American Black Museum and additional historical sites that are being developed such as the Gordon House and HMS *Detroit*. As well everyone has heard about the opening of the casino in Windsor. It was expected and is bringing hundreds of thousands of new visitors to the area so far and will continue to do so we hope every year.

As well the recent acquisition of Boblo Island by a local developer who is interested in working with the community to create a year round tourism facility with year round employment opportunities should provide excellent opportunities for the area. Most important our area is bordered on three sides by natural waterways affording numerous recreational opportunities including one of Canada's most beautiful national parks, Point Pelee.

What is needed to create a sustainable tourism industry in our area is a strategic plan. The reorganized Department of Industry will be well positioned to create such an over-reaching strategic plan. I look forward to the announcement of measures in this area.

It has been my privilege to have the opportunity to participate in this debate.

**The Acting Speaker (Mrs. Maheu):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mrs. Maheu):** The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mrs. Maheu):** All those in favour of the amendment to the amendment will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mrs. Maheu):** All those opposed will please say nay.

**Some hon. members:** Nay.



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**The Acting Speaker (Mrs. Maheu):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mrs. Maheu):** Call in the members.

(1640)

[Translation]

*And the division bells having rung:*

**The Acting Speaker (Mrs. Maheu):** Pursuant to Standing Order 45(5)(a), the Chief Government Whip and the Chief opposition whip have asked me to defer the division.

Consequently, pursuant to Standing Order 45(5)(a)(ii) the division on the questions now before the House is deferred until tomorrow at 5:30 p.m., at which time the bells will be sounded for not more than 15 minutes.

\* \* \*

#### DEPARTMENT OF NATURAL RESOURCES ACT

The House resumed from September 27, consideration of the motion that Bill C-48, an Act to establish the Department of Natural Resources and to amend related acts, be read the second time and referred to a committee; and of the amendment.

**Mr. Bernard Deshaies (Abitibi, BQ):** Madam Speaker, I represent the riding of Abitibi, in Quebec. As many members know, it is possibly the largest riding in Canada outside the Northwest Territories, with an area of 500,000 square kilometres. In my riding, natural resources are most important, be they forests, mines or hydroelectricity. It is my duty to support the amendment proposed on September 27 by my colleague from the Bloc Québécois:

That this House declines to give second reading to Bill C-48, An Act to establish the Department of Natural Resources and to amend related Acts, given that the principle of the Bill does not provide for empowering the minister to compensate Quebec financially if it chooses to exercise its exclusive jurisdiction over natural resources itself, pursuant to the Constitution Act, 1867 and the Constitution Act, 1982.

Senator Gérald Beaudoin, a strong defender of the federal system, would surely share this opinion since, in an essay he wrote on the sharing of powers and entitled *Partage des compétences: c'est comme un vêtement sur mesure*, he recognized the limits of the spending powers of the federal government and the right of a province to "opt out" with financial compensation whenever the federal authority creates a new jointly funded, national program, provided the dissident province creates a similar program consistent with the national interests.

This bill brings nothing new, it is solely the creation of a new department, as part of a government reorganisation started in 1993 by the former Conservative prime minister, Ms. Kim

Campbell. If the sole purpose of this bill was to merge two departments into one, with a view to saving money, improving efficiency and correcting the shortcomings found in the two previous bills creating the former departments, it would be easy, on the face of it, to accept it and even to support it.

However, it is rather obvious that with Bill C-48, the federal government is assuming powers and rights which are going to infringe upon an exclusive area of authority belonging to the provinces. It is totally unacceptable. As we, from the Bloc Québécois, have been saying over and over again, this intrusion of the federal government leads to wasteful duplication and overlapping between the two levels of government, at great expense to Canadian and Quebec taxpayers.

We doubt that this bill is aimed at reducing this waste since its founding principles maintain the status quo and, even though departments are merged, they retain their mandate. If you go to the trouble of creating a new department, why not make sure at the same time that its operations are efficient and harmonized with the priorities of the provinces which, I remind you, are the leaders in the field and have exclusive jurisdiction over their own natural resources. Nothing in this bill gives the provinces exclusive jurisdiction over their natural resources, and no alternatives are suggested.

(1645)

In 1982, during the negotiations on patriating the Constitution, and also during the negotiations on the Meech Lake Accord and the Charlottetown Accord, Quebec asked for the right to opt out—with compensation—of federal programs where it knew it could do a better job. Many of the parties concerned agree with this concept, which is even more appropriate when we are talking about natural resources, an area of exclusive provincial jurisdiction.

I am sure many federalists will agree, and as I already pointed out, in certain publications Senator Beaudoin has referred to this as a beneficial alternative, reducing duplication and overlap.

For the time being, the only real change the average Quebec or Canadian citizen can see is that, instead of two ministers, we will have only one. There is nothing wrong with that *per se*, but the structure has not changed. Operating expenditures remain the same. There are no cuts. However, it is time to streamline operations for maximum efficiency, since all taxpayers are paying for the federal government's poor management.

One way to streamline the federal administration and make it more efficient would have been to redefine the role of the federal government in relation to the provinces, clarify the concept of provincial jurisdiction and opportunities for the provinces to manage their federal programs.

The federal government does not abide by its own Constitution, and all the provinces have paid dearly and will continue to do so for Ottawa's interventionism and centralist approach. Hon. members will recall the Trudeau government's energy policy that caused oil companies to be nationalized at an exorbitant price, only to be sold off a few years later.

The Athabasca tar sands project is anything but a financial success. As for Hibernia, it is an even bigger money gobbler. We will have to invest another billion dollars or more to support a project that was never essential to Canada's energy self-sufficiency, and no one knows whether further technical or financial problems will add even more to a bill that is already astronomical.

Western Canadians and my colleagues here in the House may wish to tell me later on whether they received as much money to search for new oil wells in Western Canada. In any case, Quebec never received any subsidies for its hydro dams.

The total bill for Hibernia, which will be several billion dollars, could have been channelled into research on new energy sources like hydrogen, while supporting the economies of the Maritimes, since the excuse for Hibernia was to create jobs for Eastern Canada. The government could have supported job creation in the Maritimes and used this money to give Canada a technological edge in this field on international markets instead of trying to look for new oil in difficult conditions at the cost of human lives, on drilling platforms off-shore—new oil at well above the price on world markets.

In the light of this unjustified spending, with no regard for the priorities of the provinces, one wonders whether the federal government knows what it is doing when it decides how to spend money in the provinces, especially in areas over which the provinces have jurisdiction.

Canadians are sometimes surprised to see the Bloc Québécois here in this House. Perhaps today they will start to understand our long-standing demands, especially concerning natural resources. We are justified in demanding our rights, the rights of our province. This is also legitimate for the other provinces.

When the Natural Resources Committee, of which I am a member, studied clear cutting, the conclusions it came to were again to centralize authority for the sake of better performance. In opposition, the Bloc Québécois wanted to show that co-operation would have been more effective because the initiative for reform must not come from the federal government but from the provinces themselves, since as I have said many times, they alone have the mandate to manage their resources.

The committee report would surely have been the same, but at the same time it would respect the provinces' powers.

### *Government Orders*

Section 92-A of the Constitution Act, 1867, clearly states that mines and forests are exclusively in provincial jurisdiction. Is it right that the provinces cannot make their own decisions?

Unfortunately, federal intervention is too often to be expected.

(1650)

The federal government starts with good intentions and ends up using its co-ordination role to become the one in charge. The usual scenario goes something like this: the federal government wants to be there to help co-ordinate, which, in itself, is good in such a big country, but as it co-ordinates, it decides that it should also run things. While it is at it, why not set the direction for the program and while it is doing that, why not be in charge?

Each time it is a matter of provincial jurisdiction, the federal government comes along with its dollars and sets the mandate.

Spending the money of Canadians and Quebecers does not give the government the right to meddle in fields of exclusive provincial jurisdiction. A down-to-earth example in natural resources is the program to encourage mining exploration investment in Quebec. The Mining Association of Canada and the Canadian Prospectors Association think that this program is excellent. If this bill recognized the provinces' exclusive jurisdiction over natural resources and opting out with federal compensation to make Quebec's program more effective, this incentive program could really grow and create many well-paid jobs.

This co-operative attitude already existed in the 1980s and yielded excellent results. For example, the Aur Resources Mine opened near Val-d'Or with an investment of some \$300 million, creating 150 direct jobs and at least twice as many indirectly.

To end my speech in this debate, I would like to quote again what Jean Lesage, the former Liberal Premier of Quebec, said in an address to the Empire and Canadian Club in Toronto in 1964. His words were eloquent: "Quebec seeks to obtain all the powers needed to assert itself economically, socially and politically. If the provinces do not pursue the same objective, Quebec will necessarily move towards a special status reflecting both the particular characteristics of its people and the more extensive role that they want to give their government".

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I would like to take the opportunity afforded by this debate on Bill C-48 to say that this is another important step towards streamlining government.

As you know, natural resources play a major role in Canada's economy. In 1992, net trade in these products amounted to \$40.5 billion. These impressive figures illustrate the impact of the natural resources sector on our economy as a whole. However,

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we must also consider the direct impact of this industry on the lives of thousands of Canadians.

First of all, one in every thirteen members of Canada's workforce is employed in the energy sector, at all levels. What makes this a very special group is that workers and their families are often located in remote areas. I am thinking of the forests around Lac-Saint-Jean, the mines in Abitibi or Northern Ontario and Alberta's oil fields. Altogether, over 500 communities across the country depend on natural resource activity.

The fact that this industry operates in remote areas creates some very specific problems. I am thinking of towns built around a mine or a factory. If demand for the product declines and the factory has to close temporarily, the whole town suffers. And as we saw in Schefferville and elsewhere, in some cases the factory or the mine closes for good.

It then becomes necessary to either find a new focus for the town or relocate the community. Neither option is easy to implement and both are hard on the community.

(1655)

It is therefore very important to ensure that the natural resources sector remains a vital element of the economy and the job market. This can only be done through new technology, as the industry and government are fully aware. We are fortunate that Canada is a world leader in the development of technology to improve the productivity and competitiveness of our mining, forestry and energy industries.

Only last week, a large European delegation, mostly from Germany, visited construction sites in New Brunswick. In Quebec, they went to Saint-Félicien, in the riding of the Leader of the Opposition. They also went to British Columbia. They came to look at our modern forest management methods, and I must say they were all very impressed.

This is another example of concrete, active federalism. Our friends opposite are always quick to claim jurisdiction for Quebec. However, when the Government of Canada brings investors or journalists to the province, they are reluctant to admit that they benefit from Canadian initiatives.

Our government agrees that natural resources are a matter of provincial jurisdiction. However, we have a duty and a mandate to ensure that the sector contributes its fair share to economic growth and job creation across the country.

Of course, we must do this in co-operation, in a partnership with the provinces, and we are doing so without any hesitation whatsoever. In fact, streamlining the department provides a national perspective on mining, energy and forestry issues and

provides a leading edge and expertise in research and development to help the industry meet current and future challenges.

One of those challenges is Canada's progress towards sustainable development. For many years, the industry seriously damaged the environment, not because it was intent on being destructive but because people were not aware of the impact certain procedures had on our environment.

It is essential to reconcile our economic and environmental objectives at all resource management levels. We have made a lot of progress, but we still have a long way to go.

The modernization of the Department of Natural Resources goes precisely along these lines. We must commend the government for taking this initiative and including at the very beginning of Bill C-48, in clause 2, an excellent definition of sustainable development.

This shows how serious our commitment to sustainable development is. This is particularly important in the area of natural resources where we must promote rational development and the protection of the environment.

The new department wants to co-operate with the provinces, the industry, the environmental groups, the natives as well as other stakeholders so that the natural resources sector can continue to grow in the short and medium term.

The department will also act increasingly as an intermediary between the industry and environmental activists in order to reconcile their concerns.

The Department of Natural Resources also has an important role to play in the area of research and technology. In fact, its reputation in this field is excellent. Its scientific and technological know-how cover all aspects of the industry management. Very often, the department can act as a leader and does so. Nevertheless, particularly where the protection of the environment is concerned, we need the co-operation of all the stakeholders to achieve our goals.

(1700)

I am thinking among other things of improving energy efficiency. It is widely recognized that improving energy efficiency is an essential element helping us, in the short term, to achieve the goal of sustainable development. Many businesses have discovered that energy efficiency pays off. Related technologies also contribute to economic development and job creation.

Each of us can contribute to Canada's energy efficiency, thus helping the government meet its greenhouse effect reduction goal. Innovative technologies developed in Canada can also be exported to the expanding global market. It is forecast that by the year 2000, the global pollution control market will reach \$600 billion US.

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Canada certainly intends to get its share of this global market, a large part of which has to do with resource development technologies.

[*English*]

This is an important bill. It is a technical bill because we are trying to reorganize the Department of Natural Resources to put all the resources of two departments into one so we can have more efficient administration of the policies. Almost a year ago this government was elected under the auspices of the red book, making sure we develop and improve the economy, create jobs and also reduce the deficit and be more efficient.

With the reorganization on November 4, 1993 the Prime Minister presented the new cabinet to all Canadians and the rest of the world. We proved we were going in that direction, that we intend to keep our promise. That is what we are doing. We are putting into law what we promised in the red book and what the Prime Minister announced on November 4, 1993.

At this stage with this global economy the protection of the environment is very important, not only in terms of protection but also in terms of developing the technique, the necessary technology to protect the environment. Canada has the know how and the tools to be a leader in the world in this field. We can create thousands of jobs if we put all our resources together. We are going in the right direction in organizing the Department of Natural Resources in this fashion.

[*Translation*]

Natural Resources Canada has a very important role to play in assuring us that exporting our resources helps us to prosper and to create jobs while applying the principles of sustainable development. It is the way of the future, the voice of reason, and that is why I am pleased today to support this bill.

[*English*]

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Madam Speaker, I listened very carefully to the words of the secretary of state and also to the previous debater from the Bloc Quebecois. I read Bill C-48 in great detail.

I am having difficulty understanding the concerns of the speaker from the official opposition about the federal government infringing on provincial jurisdictions. The secretary of state also represents a riding in that province. I am wondering whether he could clarify if the federal government is infringing on provincial jurisdiction or is the bill truly a bill which has as its goal sustainable development in which not only Canada will benefit but this entire planet will benefit?

**Mr. Gagliano:** Madam Speaker, I thank my hon. colleague, the hon. Parliamentary Secretary to Minister of Foreign Affairs.

The bill is very clear and we have been saying all along that we recognize and know that natural resources is a provincial jurisdiction. What we should do with Bill C-48 is to reorganize the department. We had two departments and now we have one. We are being more efficient and we are putting our resources together to compete out there.

(1705)

It is a global market in which we have to compete. I said in my speech that in recognizing the jurisdiction of the provinces, recognizing that we have to work together, and we are working together, we are trying very hard and working together as a province, it is the role of the federal government to make sure in every sector that we create jobs because that is what Canadians want.

Therefore we are not interfering with the jurisdiction problem. In every bill that we present to this House, it seems that we have a jurisdiction problem. We realize that this is a federation. There are provincial matters and there are federal matters. Also, there is a spirit of co-operation.

In this bill or in natural resources or in industry or in other departments, respecting the provincial jurisdiction, respecting the federal role of being a leader of economic development, there is praise for both the provincial government and the federal government.

Instead of fighting about who has jurisdiction, if we would work together and co-operate we would achieve both results of the goal of the provincial government and the goal of the federal government.

For all citizens who get elected to serve Canadians, our most important role is to make sure not only who does what but also to make sure that Canadians get the service they need, the jobs they want. That is where the objective should be. We should not try to fight each other and lose time and energy instead of creating jobs which is what people want. This bill creates jobs.

[*Translation*]

**Mr. Bernard Deshaies (Abitibi, BQ):** Madam Speaker, I want to ask the hon. secretary of state why, with this bill, the government did not take the opportunity to clearly spell out the fact that provinces have jurisdiction over natural resources and did not define major thrusts for optimum co-operation and development of natural resources to promote job creation.

**Mr. Gagliano:** Madam Speaker, Bill C-48 is an act which legally establishes the new Department of Natural Resources created when the new Liberal government was sworn in on November 4, 1993.

The purpose of this legislation is to create the legal framework for a department which already exists and is in operation. Just a half hour ago we had a debate on the bill to establish the

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Department of Industry and now we are discussing the Department of Natural Resources. Two weeks ago, other bills were being debated, and I imagine that there soon will be other redeployments affecting departments. Indeed, we try to create a legal framework for the new departments which have been established.

As regards the government's action plan, I believe that the Minister of Natural Resources has already explained that plan on various occasions to the committee. Also, negotiations will take place with various provinces, including Quebec. All these initiatives are in progress and the hon. member should not expect an action plan in a piece of legislation such as this one, which establishes a department.

(1710)

The purpose of this legislation is to establish a department, it is to define its role and to explain the new structure. I believe the hon. member said earlier that he agreed with the principle of having one minister and one department instead of two departments and two ministers as was the case before. So, this initiative will improve efficiency, but it will also ensure better discussions and better co-operation between the provinces and the federal government. We have always maintained that natural resources fall under provincial jurisdiction, but the federal government must ensure that these natural resources benefit all Canadians.

In short, this bill is about the structure of a new Department of Natural Resources. I am sure that the hon. member will find either in the budget or in other policy statements the federal government's action plan concerning the development of natural resources as well as sustainable development.

*[English]*

**Mr. David Chatters (Athabasca, Ref.):** Madam Speaker, I rise today to speak in support of the principles of Bill C-48, a bill to create the Department of Natural Resources.

The Reform Party has long supported the downsizing of the federal cabinet and the reduction of bureaucracy. This initiative makes good sense particularly in the areas of provincial jurisdiction such as natural resources.

Having said that, however, I am disappointed to see another Tory bill brought before the House by the new Liberal government that promised to govern differently. There are no promises in the red book to finish Kim Campbell's agenda. All this bill does is formalize what has long been happening and has long been the case. Instead of seizing this opportunity to substantially downsize government and duplication, getting this government off the backs of Canadians, it takes half measures as we have seen in almost every piece of legislation the government has introduced into this House.

While I believe there is an opportunity in the reorganization of this department to realize substantial economic savings, it appears from my analysis of this bill that it will effect very little economic savings or the downsizing of the bureaucracy.

My colleagues who have spoken previously have addressed a number of areas of concern we have with this new super ministry. I will concentrate on yet another area that we believe could have and should have been included in this initiative to effect an economic benefit in the streamlining of these departments.

The area I refer to is the completion of the privatization of Petro-Canada. The creation of Petro-Canada with billions of dollars of tax money was part of the greatest fraud ever perpetrated on the energy producing regions of this country. This fraud through government interference and regulation deprived the energy producing provinces of billions of dollars that should have accrued to them during the oil price shock of 1973-74 when OPEC cut off the oil to the west during the Yom Kippur war, causing a tripling of oil prices within weeks. The producing provinces were never allowed to benefit from this oil price surge because of the interference and regulation from the federal government.

Because of this false fear of its future energy security, the federal government created with tax dollars a national oil company. The mandate of this crown owned oil company was through an aggressive acquisition and exploration program to provide for Canada's oil self-sufficiency. In spite of the reckless spending of the tax dollar to acquire grossly overpriced foreign multinational oil company holdings such as Atlantic Richfield Pacific Petroleum, Petrofina, British Petroleum and Gulf Petroleum, creating one of the largest oil companies in Canada, this bureaucratic boondoggle was never able in any substantial way to fulfil the mandate.

I well recall the early days of Petro-Canada's intrusion into the energy field with bureaucrats flying around in private jets and helicopters awarding extravagant cost plus contracts like the money would never run out. All this was sold to the Canadian taxpayer as necessary to reduce our dependency, or was it the U.S. dependency, on mid-east oil reserves.

We were told in Canada that we had less than 20 years recoverable oil reserves and that a high gasoline tax burden was justifiable to guarantee our future energy needs and pay for this spending binge. Now, 20 years later, we know that it was so much Liberal hogwash, a simple money grab and a flagrant breach of the principles of Confederation by the federal government, a Liberal federal government. We have 20 years later proven oil reserves that will supply Canada's energy needs for the next several centuries, almost 400 years of recoverable reserves in the tar sands of northern Alberta alone.

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(1715)

The past Tory government, knowing the moral dishonesty of these policies, moved with much foot dragging and procrastination to end this fraud by cutting taxpayer subsidization and even moved to partial privatization, turning our state owned oil company into a simple commercial enterprise no different than any other large oil company operating in Canada. I ask the question, why would the Canadian taxpayers want to own just another oil company? Is this oil company returning some benefit to the taxpayers in return for their billions of dollars in the form of lower gasoline prices or providing cheap clean burning natural gas to the homes in Atlantic Canada? No, it is not.

The fact is MPs on both sides of this House have been made aware of the unethical tactics of our state owned oil company harassing small independent gasoline retailers in an effort to remove competition, hardly what we might expect from our own taxpayer owned oil company.

It is engaged in the same export frenzy as all the other multinationals. Is it engaged in an aggressive Canadian frontier exploration program? No more so than any other multinational. In fact, Petro-Canada is competing with other multinational companies in the far flung corners of the globe.

Again the Reform Party questions why the Canadian taxpayer would want to own a national oil company. Why would this government not sell off this national oil company while the industry is strong and recoup some of those billions of taxpayers' dollars that were used to create this Liberal boondoggle? Why not use this opportunity when we are supposed to be downsizing and streamlining government to do something really significant and use revenue from the sale of Petro-Canada to reduce Canada's debt burden?

Could it be that we are about to become the victims of yet another Liberal fraud. This government, instead of behaving like a fresh new government with new innovative ideas that would stop this fatal spiral of debt and deficit we find ourselves in, continues to bring in this stale, tired Tory initiative that destroyed the PC Party, or it reaches back and resurrects the obsolete Liberal ideas of the Trudeau era.

In conclusion, as I said at the outset, we support the amalgamation and reduction of government ministries but let us take some new and innovative steps. Let us get government out of private enterprise and let private enterprise do what it can do better. Let us get government spending under control and reduce the necessity of this desperate sell-off of Canada's natural resources to support an unsustainable level of government spending.

Let us create technology to track the movement of profits of multinational corporations that move around the world at the

speed of light and often escape the taxman. At the same time let us not tax to the point where we destroy the incentive to reinvest those profits in Canada's resource industries as we did in the case of the national energy program, particularly in value added manufacturing so we might escape the dependency on the exports of raw natural resource products.

Simply put, let us not continue on the same policies that in the last 25 years have plunged us into the position as one of the most indebted nations in the world at the same time that many of our natural resources that this country was built upon are in serious decline.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Madam Speaker, I listened with interest to the hon. member for Athabasca as he went through some of the problems we have had in the industry and particularly in the natural resources industry.

He raised a couple of interesting points on the indebtedness that has been caused by the government intrusion into what should have been a private market decision on oil reserves and on a national policy to get into the oil business. I see in the paper that a two cent a gallon tax on this industry is being considered again, this time at the pumps apparently to make one industry pay for an environmental program that is going to try and fix the problems.

(1720)

Would the member comment on the fact that again one particular industry and one province is being targeted to pay for what in essence is a national problem. I would like his comments.

**Mr. Chatters:** Madam Speaker, in spite of the fact that this government continues to tell us that a carbon tax or a green tax is not a consideration, it continues to come up in the news almost daily. Therefore, it continues to be of concern to us who come from those resource producing regions. Not only do we come from the regions that produce the oil and gas, we are also from a region of Canada that is very sparsely populated and has great distances.

This tactic of taxing the resource to force people to use less of the resource or to reduce CO<sub>2</sub> emissions is the same kind of fraud I talked about in my presentation. In fact, Canada only produces some 2 per cent of the world's CO<sub>2</sub> emissions. If every vehicle in Canada was parked and ran no more we would reduce CO<sub>2</sub> emissions in the world by less than 1 per cent.

I say it is a fraud. If we really want to do something about CO<sub>2</sub> emissions, let us look at some of the other countries in the world, like China that produces 20 per cent of the CO<sub>2</sub> emissions, where doing something about it would have some effect.

**Mr. Julian Reed (Halton—Peel, Lib.):** Madam Speaker, I do not know how much time we have. I was interested in a couple of

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the comments the hon. member for Athabasca made. One was the question of bringing in and passing a Tory bill.

I would like to remind him of the story of Senator Hayakawa of the United States who was asked if the government of the United States should keep the Panama Canal after its term expired. He said: "Of course we should. We stole it fair and square".

The other thing I would like to talk about is fraud. The hon. member mentioned that the tar sands contain enough oil potential for several hundred years. I think he mentioned 400 years. What is his information base for that? Is that 400 years of Canada remaining at 29 million population or is that 400 years of witnessing the exponential curve in population growth and subsequent energy demand around the world? Is that 400 years of a population decline in Canada? Four hundred years of what? When one makes a blanket statement like that, one has to follow through with some kind of qualification to make the thing legitimate.

Since predictions like that were made years ago, the population of the world every year has increased at the rate of about 95 million people. I do not know whether he wants to keep those other people from having any of that energy and if he would prefer that, but that is not the way it is going to be.

**Mr. Chatters:** Madam Speaker, the statistics I presented were provided to me by the Alberta Energy National Resource Conservation Board. In fact, the figures I quoted were based on Canada's current consumption of energy. Certainly they are statistically correct today, but 50 years from now who is to say what that might be.

(1725)

It has more truth to it than the fraud that was perpetrated in the creation of Petro-Canada whereby we were running out of conventional crude oil and had to move immediately to spend \$6 billion of taxpayers' dollars to create Petro-Canada. Today, 25 years later, our conventional crude oil production has not even begun to decline. Given the technology advancements, who is to say that 20 years from now we will not continue to produce the same level of conventional crude oil, not even taking into consideration the synthetic crude oil production?

I think my figures are quite valid and quite honest.

**Mr. Julian Reed (Halton—Peel, Lib.):** Madam Speaker, a very few minutes ago I was given the honour of addressing this bill. I appreciated very much being a member of the natural resources committee and watching history being made.

One of the significant aspects of this bill is the tying of the forestry industry with the rest of the resource industry. In this day of information accessibility, the information highway, the move toward high tech and all those wonderful things that will

present miracles to our children and grandchildren in the future, our country does and will in the future rely on its natural resources providing that we provide a sustainable base for the continuing preservation and enhancement of those natural resources.

The other reason why it is significant is that in the future, maybe 400 years in the future if my hon. friend is correct, I think with the acceleration in population on a global basis and the increasing demand for energy the future for renewable energy will be upon us in the twinkling of an eye. Therefore, because Canada produces probably more, if you will pardon the \$25 word, biomass than perhaps any other country on the face of the earth, it is only natural that the forest industry and the production of cellulose and energy become inexorably tied under the wing of one ministry.

We are not very many years away from when we will be able to produce motor fuel from cellulose in a very competitive and environmentally sustainable way. I think the connection that has been made with the creation of this new ministry is very positive.

I should point out to my friends in the Bloc who from time to time worry about the jurisdiction that there is no change in jurisdiction in this bill. In other words, it is recognized that the provinces have jurisdiction over those industries.

Our nation has a requirement to provide a voice internationally, particularly at the present time, to overcome some of the negative feedback that we have been getting from places like Europe and so on which were prompted to worry about the forest practices in Canada.

I must go on record, having sat on the committee studying forestry practices in this country, as saying that we are perhaps a model for the whole world in the advancements that our industries have made. Our government must now through various mechanisms take those advances and take that standard that has been set and point out to our friends who buy our raw materials, our resources or processed materials around the world that we are indeed doing a good job. Perhaps in the future we will be able to share our technology and some of the things we have learned with people around the world. We must not forget there are countries on this earth today that have virtually denuded their lands of forest cover. Is it not Madagascar that is sliding into the Indian Ocean? Countries in the Caribbean were stripped bare for their logs before the turn of the century. Only now some of those countries are very concerned about rejuvenating their forests, understanding the value of that kind of forest cover.

(1730)

Canada has taken the lead role and we will continue. Admittedly we have an economic challenge. The combining of the department of forestry with what was known as energy, mines

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and resources has already effected a savings of some \$16 million we are told. That is only the beginning and it will go on from there. It is efficiency at its best. It is the kind of efficiency all levels of governments have to introduce and effect in the very near future. It is a pleasure to be part of that and bear witness to that change.

I would also like to mention that my friends in the Reform Party are concerned about oil consumption. They seem to think that oil consumption is somehow at risk. The member for Athabasca made some comment about the 400 years and so on.

Let me draw a scenario regarding the consumption of energy. One of the main domestic sources of oil for the United States is now in decline. That is Prudhoe Bay, which has been supplying about 25 per cent of the domestic requirement of the United States. The rest of the oil patch in the United States has been in decline for many years.

The Americans have a few choices. One of the choices of course is to buy more Canadian natural gas, another non-renewable resource and take it in increased quantities. Another choice of course is to effect more conservation through one means or another. The cheapest barrel of oil is the barrel of oil you do not use. Another is to exploit as much renewable energy as is possible which the United States is presently doing with quite large efforts. Of course the other option is to buy more offshore oil.

If anyone imagines for one minute that Canada can somehow put a fence around itself and say that we have enough for all these years and we are going to save it and keep it for ourselves, I have news for them. The world is not like that.

China presently has the largest growing economy on earth. It is double digit growth. By and large they still are riding bicycles in China but with increased communication and witnessing lifestyles based on energy consumption in other parts of the world, it will not be long before that nation will require more and more oil. They will be off their bicycles and into automobiles before we know it. If petroleum is the only option, imagine the demand if China were to expect half of the consumption that North America presently consumes per capita. The bravado about the long term availability of petroleum is rather questionable to say the least.

(1735)

Another thing that should be said is that in 1979 Sheik Yamani who was the Saudi Arabian oil minister went on Canadian television and said that oil was too precious a resource to simply combust. That was a prophetic statement if ever there was one. If we look at the amount of petroleum that is now used as a feedstock in the petrochemical industry for polymers and so on,

we can easily see where that precious commodity may ultimately belong.

We are now bearing witness to the very beginnings of a move from non-renewable energy consumption, which has been kind of a blip in recent history as we did not have this before coal was discovered, and it will ultimately be used up. We do not know how much is in the barrel, whether it is two-thirds empty, one-third empty, or whatever. However we do know there are some compelling reasons why we should be making this move.

It is only fitting and rather prophetic that energy and these other forms of resources are now tied together. Hopefully the development of renewables can now go on with less hindrance than there has been in the past. Perhaps instead of two ministries not communicating with each other as well as they should have, now we will have one ministry that can communicate within itself.

I am very pleased to support this bill. It is a new era for Canada. As I said initially, it will be more efficient for the process of governing but it will also bring together some of those factors we have outlined and will set a new pathway for the future of energy and the other resources in this country.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Madam Speaker, I appreciate the hon. member's comments. I would like him to clarify a couple of things he mentioned.

One was the jurisdiction of natural resources being primarily a provincial concern. That is a constitutional matter I am much in favour of. I am trying to get at the direction in which the Liberal government is heading.

The other is another leaked report from this government that has found its way into the media. This time it is the consideration of a two cent a litre tax on gasoline to pay for the stabilization of greenhouse gases. The minister herself admits that is one of the proposals so this is not an obscure report. This report exists and it just happens that it was leaked to the media six months in advance.

Also, I was at the United Nations a little while ago and we were discussing proposals for UN reform. This report should be very interesting to the Liberals who can read. If members look halfway through the booklet on Canadian proposals for UN reform, it says that Canada proposes a tax on hydrocarbons to pay for the United Nations.

I am not sure how many members have read that report but I urge them to dig it up. They should especially have regard to the constitutionality of who should control the taxation on hydrocarbons, what should be the priorities of the federal government and what the plans are. This is not pie in the sky theory or scare tactics but it is in a little book, this time a blue one, supported by the Liberal Party proposing a hydrocarbon tax to support the UN this time. Last time it was another crisis.



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(1740)

I would like to have the member's thoughts on exactly whose jurisdiction this is and what he thinks of hydrocarbon taxes specifically to fund everything, in this case from the United Nations to greenhouse gases. Which jurisdiction should that fall under? Who should we send this warning flag to, the provinces or the oil companies?

**Mr. Reed:** Madam Speaker, I appreciate the question from the hon. member. I should point out to him that in any function of government when questions are being asked as to how we tackle a situation and what areas we consider in a situation, all sorts of proposals are made. Whether they are adopted or rejected is yet another thing.

At this stage I certainly do not know that any consideration would be given to such a tax. However I think it is valid to debate the subject and to look at it as being on the table and worthy of debate, not in a dissimilar way to what the minister of finance tried to initiate before the budget last February. Remember, we all participated in a prebudget debate. There was consultation, albeit too brief at that time, to try and bring in the business and corporate sector.

Public consultation is something that has not been generally practised in this country in the past. More is the pity because now when we enter into public consultation and try to glean from it ideas and concepts that will guide us, cynics say that it is a bit of window dressing and the government will go on and do whatever it wants anyway.

As the member knows, the gun control issue was another one where public consultation was undertaken by the ministry. People travelled across Canada all summer long and talked to Canadians. I point out that in the previous firearms acquisition bill the former minister would not even entertain a written brief, not one written brief.

This is a new exercise for Canadians. If the government treats this process with respect, then we all gain.

The member talks about a two cents a litre tax. I also read the newspaper article and I have no knowledge that any such thing is contemplated, but I certainly would welcome a debate on it.

[*Translation*]

**Mr. Bernard Deshaies (Abitibi, BQ):** Madam Speaker, I would like to ask the hon. member, who is also a member of the Natural Resources Committee, a question further to his speech on ecology. My question is quite specific. Do you not think that we could have put all the billions of dollars that are going to be invested in the Hibernia project into projects other than petroleum projects, into renewable energy projects such as hydrogen, for example? What the Bloc quebecois is saying is that the federal government's interference in areas of provincial juris-

diction is not merely constitutional in nature, but involves amounts of money that Canadians, and therefore Quebecers, are paying for projects that are not viable financially or ecologically. Do you not think that better choices could have been made?

[*English*]

**Mr. Reed:** Madam Speaker, I thank my hon. friend for that question.

I can remember sitting on the Ontario Hydro select committee during 1976 to 1980 when the debate raged over the construction of the Darlington nuclear plant. I remember that from our perspective Darlington was too expensive to contemplate. After the debate we realized that the utility had gone ahead and committed something like \$500 million toward Darlington, a facility that has now cost about \$15 billion, which is absolutely ludicrous.

(1745)

I remember being quoted in the paper as saying that sometimes when we get so far into something it is very hard to get out. I expect that one could say something similar. We inherited the Hibernia project. We did get out of the Lloydminster heavy oil issue. We were able to extract ourselves from it. We are living with what is reality at the present time.

**Mr. Bob Mills (Red Deer, Ref.):** Madam Speaker, I used to sound like the hon. member through the seventies and early eighties when I believed the lies we had at that time about consumption and about available resources.

I come from a place where we have world scale petrochemical programs that we were told would only last another five years. We have now extended them for twenty years and there is no foreseeable end to our ability to produce.

The member referred to China. What about the alternate energy that will in fact come about such as coal gasification? China has huge resources of coal. What about some of the alternate energy forms that are there just waiting to be taken over? What about all those?

**Mr. Reed:** Madam Speaker, China is a very interesting country. The last time I checked it was installing hydro units at the rate of 15,000 a year. China is the world's largest producer of hydraulic turbines. It builds good stuff, incidentally.

There is a pent up demand for energy in countries like China that far exceeds our ability to comprehend. We should be able to turn it to our advantage. Whether it is petroleum export or whatever, I do not see forms of energy competing against one another per se. As a matter of fact I see them complementing one another.

In terms of petroleum I would suggest that Sheikh Yamani was right. The commodity itself is probably too precious to combust. We can look at the clean air targets. The business of

coal combustion, for instance, is something we are probably shying away from because it is a direct contributor to greenhouse gas.

**The Acting Speaker (Mrs. Maheu):** Order. I am sorry but the hon. member's time has expired.

Is the House ready for the question?

**Some hon. members:** Question.

[*Translation*]

**The Acting Speaker (Mrs. Maheu):** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mrs. Maheu):** All those in favour will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mrs. Maheu):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mrs. Maheu):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mrs. Maheu):** Call in the members.

*And the division bells having rung:*

**The Acting Speaker (Mrs. Maheu):** Pursuant to Standing Order 45(5)(a) I have been requested by the chief government whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(5)(a), the division on the motion 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 not more than 15 minutes.

(1750)

[*English*]

**Ms. Catterall:** Madam Speaker, I rise on a point of order. The deferral motion you just read stated 5.30 p.m. tomorrow. It should be after the conclusion of government business which may or may not be as early as 5.30.

**The Acting Speaker (Mrs. Maheu):** Does the House agree?

**Some hon. members:** Agreed.

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**DEPARTMENT OF PUBLIC WORKS AND  
GOVERNMENT SERVICES ACT**

The House resumed from October 5 consideration of the motion that Bill C-52, an act to establish the Department of Public Works and Government Services and to amend and repeal certain acts, be read the second time and referred to a committee; and of the amendment.

**Mr. Ovid L. Jackson (Bruce—Grey, Lib.):** Madam Speaker, it is certainly my pleasure to rise in the House to speak on Bill C-52, a bill to consolidate the government services department.

Over the last number of years we note there have been paradigm shifts in terms of how business is done. When we on this side of the House were elected the Prime Minister decided that we were to operate with fewer cabinet ministers. We were to work in every department to make sure, if there were any savings to be made, savings would be made for the Canadian people. We were to deploy our manpower to make sure it worked in the most efficient manner possible to get the best bang for the dollar.

Recently scientists watched a set of Canada geese flying and they found out that they flew in a particular *v* formation. When they studied it they found that one wing was slightly longer than the other. They also found out that if the one bird in front led for quite a while it created a vacuum which made it easier for the following birds to fly. As that bird got tired it would pull back and another bird would take its place. As a result the birds could travel 70 per cent farther than they otherwise could.

I hope all members of the House try to stretch the dollar that much further so that Canadians could get the best possible dollar value from us. It is up to all members to look for ways to save. I do not think it is incumbent on us always to be critical. We need to make sure that people working for governments know they are working for people who work very hard and honestly to get their salaries. They in turn expect a fair return on their dollar.

I am really pleased today to speak on behalf of the consolidation of the department. Since we started debating Bill C-52 my Bloc colleagues have repeatedly asked that the government produce regular statements, monthly reports, and open up the federal government contracting process. According to them the purpose of the monthly reports would be threefold: to keep taxpayers informed, to stimulate competitiveness, and to ensure that government decisions are open and transparent. There is no doubt that these are worthy goals.

However I assure the Bloc members and the House that the government has already taken many steps to do just that. From

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the very onset of its mandate the government has been committed to fairness and openness in government contracting.

Public Works and Government Services is Canada's largest purchasing organization. As the principal purchasing agency for the federal government it has responsibility for approximately 65 per cent of total government purchasing. The rest is spread over about 100 other federal organizations. The department buys some \$10 billion worth of products and services each year.

Taking into account the procurement activities of the agencies under its purview, Public Works and Government Services issues approximately 1,000 contract transactions each day. It goes without saying that administering such a large volume of transactions is a huge undertaking. However there are cost effective systems in place at Public Works and Government Services Canada which allow the Canadian public to be effectively and fairly served while having unfettered access to information about government contracting.

(1755)

There is no need to waste time, energy and taxpayers' money tabling reports on contracting activity, given the fact that the information is readily available and accessible to the Canadian public.

The issues raised by the Bloc members, namely access to contracting information, competitiveness and the integrity of the procurement process, have been and continue to be priorities of the government.

We did as promised in the red book and have taken a series of initiatives to restore confidence in the institutions of government. As one of Canada's largest buyers of goods and services and a major real property manager, the Department of Public Works and Government Services is committed to providing the nuts and bolts information which helps all companies across Canada to do business with the federal government.

One tool is the open bidding service. It is also known as OBS. It is an electronic bulletin board that gives fast and equal access to opportunities to bid for government contracts. It provides information about upcoming requirements and the documents companies need to bid on them. It provides equal access to public works and government services, opportunities valued at \$60,000 or more for construction and maintenance services and \$25,000 or more for other types of government procurement. With OBS anyone anywhere in Canada has access to the same information at the same time.

The Department of Public Works and Government Services also produces the government business opportunities or GBO publication. It lists the same opportunities as OBS. It is printed three times a week and provides very timely information. In addition to advertising contract opportunities with the federal government, the OBS gives notices of contracts the government intends to award on a sole source basis. In this way companies

have the opportunity to challenge the government's rationale for single tendering.

If in response to a sole source notice another supplier can demonstrate that it can meet the government's requirements for a particular contract, a competition will be held. It is another way by which the government stimulates competitiveness.

Not only does the government already make information available on proposed business opportunities to all Canadians, but it also provides information on contracts that have been awarded. The information is posted regularly on the OBS as well as published in the GBO. A contract history data base is available on OBS which provides information on any contract awarded on open bidding service since 1989. It allows anyone anywhere in Canada to see which companies have been awarded open bidding contracts, for what goods or services and for what value.

The open bidding system is designed to allow easy and equitable access to information on government procurement opportunities both in process and historical. The system effectively addresses access, competition and accountability.

All MPs have been invited to subscribe to the OBS. By getting onboard they would certainly have access to all the information they need on contracts being awarded in their ridings. Easy access to information on contract opportunities is the key to ensuring fairness and openness to suppliers.

(1800)

However, this government also believes in independent redress for suppliers who may believe that the government's actions have not met their commitment to openness and fairness, and suppliers who believe that they have not been treated equitably are able to appeal to the Canadian International Trade Tribunal. It is an independent board to which suppliers can seek quick and inexpensive redress for procurement subject to the NAFTA.

If successful, the supplier may be awarded payment of compensation or recompensation of the procurement. This is yet another mechanism through which the integrity of the procurement process is maintained.

More generally, each department is accountable to Parliament, suppliers, and therefore every Canadian for its activities including procurement through the annual tabling of the *Main Estimates* and the report of the Auditor General.

The public sector is under intense scrutiny today. Canadians are demanding that the government not only control the costs of services and administration but also that it acts in a fair and open fashion. Clearly, with all these mechanisms currently in place, the Department of Public Works and Government Services is providing equal access to the federal market, fairness in awarding contracts and ensuring that the information on contracts to

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be awarded or that have been awarded is available and accessible to all Canadians.

There are policies and systems in place to ensure that the government procurement is open, fair and transparent, and that means no political influence. All contracts are subject to the requirements of the Treasury Board contracting policy whose principles and procedures I again emphasize ensure an open, transparent and competitive contracting process.

Up to date information on contracts awarded is currently available every day to any Canadian anywhere across Canada on the OBS. This information is very time sensitive to suppliers. With the information currently available and accessible suppliers know right away about the approach, for example, for subcontracting activity. A monthly report is not only a duplication of the information already available, but of very limited benefit to suppliers as it is only an historic record.

The OBS makes the system better and fairer for the government, for Canadian business and, most important, for the taxpayer.

Several other federal departments and crown corporations as well as the provincial governments of Alberta and Ontario have chosen to use the OBS to advertise their procurement needs, giving potential suppliers a window on a multi-billion dollar market. It also saves the government money, some \$3.5 million annually, in document printing and advertising costs.

The tabling of monthly reports of contracts awarded is a duplication of effort. The Bloc members have condemned that kind of attitude in this House: "Nobody in this House can support ridiculous or useless spending". That was the member for Laurentides, February 10, 1994.

With their demands Bloc members are asking this government to do just that, more ridiculous and useless spending.

As the member for Laurentides has said in this House, we must try to eliminate duplication in order to reduce costs, to save money, to become more efficient.

This government is streamlining and eliminating waste. It is not the intention of this government to spend taxpayers' dollars producing reports that no one will read when there are effective and proven means of accessing the same information.

As a member of this government, I strongly believe that there is a compelling need, especially in these days of strict fiscal restraint, to ensure that each dollar spent by this government is a necessary expense and that it represents the best value that can be achieved in the use of that scarce resource; every dollar counts.

(1805 )

This government's commitment to the integrity of the procurement process has been made very clear with the increased use of OBS and the recent release of the new guidelines for public opinion research and advertising contracts.

The Minister of Public Works and Government Services has also introduced a new clause aimed at eliminating contingency fees. Bidders are now required to certify that they have not hired a lobbyist to solicit award of a contract where any part of the payment to the lobbyist depends on the client obtaining that contract.

In conclusion, I will once again state that Canadians already have access to up to date information anywhere in Canada on the government's procurement activities. That is the key to a truly competitive process.

This government believes strongly in the importance and the integrity of the procurement process. Canadians have a right to know that their government does business in an honest and open way and who it does business with. They also require that their government not waste money by duplicating its efforts.

This government will continue to serve the Canadian public by ensuring that an open and fair procurement process is maintained in the most cost effective way possible.

**Ms. Marlene Catterall (Ottawa West, Lib.):** Madam Speaker, it is appropriate following my colleague's speech on the importance of our fiscal resources and using them well that I speak about those other resources which are perhaps even more important in delivering services to Canadians and ensuring good government for Canada and those are the people who are also a valuable resource.

Bill C-52 will give legislative force to the amalgamation of the former departments of public works and supply and services as well as the translation bureau and the government telecommunications agency. This is clearly in line with our government's commitment to make federal government operations more efficient and less costly to the Canadian taxpayer.

Madam Speaker, I will inform you and the House that I will be sharing my time with my colleague, the member for Glengarry—Prescott—Russell, in this debate.

[*Translation*]

This merger will significantly reduce the administrative and other costs involved in providing most of the central services required by federal agencies and departments.

[*English*]

The overall staff requirement will be reduced by more than 20 per cent from 18,000 at the time of amalgamation to about

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14,000 by 1998. Clearly such a reduction will substantially reduce the salary budget of the department—by more than \$1 billion over the next decade.

Our government also recognizes that there is a very important human dimension to this downsizing, necessary though it may be.

[*Translation*]

We realize that the savings which we intend to achieve will inevitably affect the lives and careers of many public servants. That is why we are now taking all necessary measures to make this transition the least disruptive possible for those directly concerned.

[*English*]

The need to streamline operations and reduce the cost of government is by no means unique to Canada. It is a problem being faced by the provinces, by our municipalities, in the United States, in Europe and throughout the industrialized world.

I believe that the program of support and assistance being introduced by our government is one of the most enlightened of its kind and is recognized as a leader in the field. Unlike the previous government which regrettably was inclined to downgrade the public service and treat it as a scapegoat for its own failures, our government recognizes that the quality of our people is our most important strength.

(1810)

We will work closely with our public servants and the unions that represent them to minimize the impact of these difficult but necessary staff reductions. The broad strategy will be to retain to the greatest degree possible the skills, the experience and the loyalties of the affected employees within the public service and to give the greatest possible assistance to those who cannot be retained in finding suitable employment elsewhere.

Specifically, each affected employee will be assigned a workforce adjustment adviser to provide job search, marketing assistance and other services on a regular basis.

All surplus employees will be offered a one-week course developed with union participation dealing with such issues as stress management, financial counselling and job search techniques. Surplus employees will be provided with links to specialized services as required, such as the employee assistance program, because we recognize that not only are people going through a career change but they are going through a significant life change.

Extensive training, advice and support will be provided to managers in planning and implementing reductions with special emphasis on communication with all employees. We recognize that the manager has a key role to play in ensuring that

downsizing is implemented fairly and with maximum consideration for our employees.

[*Translation*]

We will fully apply the directive on reassignment for employees declared surplus.

Among other things, this means a guaranteed position in the federal Public Service to the extent that the employee can be retrained or is ready to consider relocation. It also means that employees will receive six months' notice if they are declared surplus and will be entitled to retraining courses for up to two years.

Under the work force adjustment directive, surplus employees will be entitled to salary protection if they are appointed to a lower position. If they wish to resign, they will be entitled to a lump-sum payment equal to six months of salary. Also, employees who are over 50 years old and have more than five years of service will receive up to 15 weeks of salary as severance pay as well.

Our government intends to work as closely as possible with the various public service unions in implementing these changes.

[*English*]

The unions and employees are understandably not entirely happy with the reductions in government staffing levels that are taking place throughout the country but they recognize the reality of the times and they know that we want to work with them to co-operate in ensuring that these lay-offs are conducted fairly and in accordance with government policy and directives.

In this regard, workforce adjustment committees are already in place at the national and regional levels of the former departments. The government is continuing to discuss and examine with the unions the most effective way to consult and co-operate on the reshaping of the new department.

In this exercise departmental managers are being encouraged to consider innovative strategies and the voluntary use of flexible work arrangements such as part time work and job sharing as a means of minimizing the impact of these changes.

The process of downsizing has already begun and there are currently some 250 surplus employees in the inventory of the department. It is encouraging to note that to date the majority of surplus employees have been dealt with through retraining and redeployment with very few involuntary lay-offs.

The components of this department in particular have an excellent record in treating their employees fairly.

(1815)

I think hon. members will agree that our government has gone to extraordinary lengths to try to minimize the negative effects of departmental restructuring on the workforce. This is a clear demonstration of our commitment to build a new and stronger

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relationship with the public service and to demonstrate that we both respect it and value its work.

The morale in the federal public service took a rather severe battering during the Tory years in power. We are determined to re-establish a new and better relationship based on mutual trust and mutual respect.

[*Translation*]

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Madam Speaker, it is with pleasure that I address the House this afternoon. As a matter of fact, this is the first time I get to participate in a debate since the Prime Minister appointed me Chief Government Whip.

I take this opportunity to thank the Prime Minister publicly, in front of my constituents, for appointing me and to tell all my hon. colleagues in this House that I will do my very best not to disappoint them. I will try to carry out my duties as whip in such a way as to keep the caucus united under the excellent direction of the Right Hon. Prime Minister.

Perhaps there is a symbolism in the fact that my first speech following my appointment is a speech on the contract award process. Why? Because this whole issue of contracting is one that I, as the member for Glengarry—Prescott—Russell, consider very important.

We have before us today a bill introduced by the Hon. Minister of Public Works and Government Services, with an amendment moved by a Bloc Québécois member, namely the hon. member for Québec—Est, seconded by the hon. member for Charlevoix.

Listen carefully to what the Bloc Québécois member is proposing. His amendment reads as follows:

[That] this House declines to give second reading to Bill C-52—

Listen to this. He would have us decline to give second reading to a bill to amalgamate federal departments. What is the purpose of this bill? To prevent duplication. Where have we heard this before: to prevent duplication? Who has been advocating such action in this House? Madam Speaker, our colleagues opposite.

I can see the hon. member for Drummond smiling. She knows full well that her party claimed to be the champion of the use of government funds by stating that duplication must be prevented. With all due respect to their sovereignty, I must tell the hon. members opposite that today, a Bloc Québécois member has actually asked this House to refuse to pass this bill to prevent duplication.

The reasons the Bloc Québécois member does not want consent to be given are known. They are stated on page 6529 of *Hansard* for Tuesday, October 4, 1994. Let me read them to you,

Madam Speaker. As a fair, non partisan member of this House, you can see clearly how the hon. member is mistaken. He says, and I quote the hon. member from the Bloc Québécois:

Bill C-52 should have more teeth.

He is asking that consent be refused because he would want the bill to have more teeth. He may have some trouble with these subtleties but, not to worry, it will all become very clear, I think, when you hear what the member of the Bloc Québécois said, and I quote:

This is the Bloc Québécois's proposal: We ask that a public review board be created under the bill to scrutinize contracts awarded by the Department of Public Works and Government Services and to ensure openness.

There is the Comptroller General of Canada. Then, after public funds have been spent, there is also the Auditor General of Canada, at the risk of surprising the members opposite.

(1820)

There are audit mechanisms in place before and after contracts are awarded. So the Bloc's first proposal does not hold up.

Second, said the member for Charlevoix, we ask that a contracting-out code be clearly defined in this bill. Again, at the risk of surprising the hon. member, there is a mechanism in place for all contracts awarded by the Department of Public Works and Government Services. I must say that I handled such matters in the past. Suppliers must fill out statutory declarations assuring the government that subcontractors have been paid before they can receive benefits from the government. This practice is now in effect. So the Bloc's second request does not hold up either.

Now listen closely, Madam Speaker, to the Bloc Québécois member's third request: "Third, we demand that members of Parliament of all political stripes be consulted about and kept informed of the government contract awarding process involving the ridings they represent." Well, well, well! This sounds a lot like patronage. Is it because the leader of the Bloc Québécois used to belong to a political party that was partial to patronage? Is that the reason? Is it a leftover from the Tory era? Probably not. It is probably just a coincidence.

Another funny coincidence, if I remember correctly, is that the former leader of the Conservative Party used to represent the riding of Charlevoix, did he not? The current member for Charlevoix was on the executive of his association, before he switched parties, of course. I am not referring to the days before the Bloc Québécois leader switched parties: I am referring to the days before the member for Charlevoix switched parties. Indeed, as you know, these people have had a tendency to switch parties. During his career, the Bloc Québécois leader switched parties five times; he will likely do it two or three more times again.

**Mr. Bonin:** It will not be long!

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**Mr. Boudria:** “It will not be long”, says the hon. member for Nickel Belt. I congratulate him for being so eloquent, as he usually is, and also for being so perceptive.

My colleagues from the Liberal Party do not see the use of setting up a patronage system as demanded today by the Bloc Québécois. No, Madam Speaker. We, Liberal Party members, do not agree at all with that suggestion.

I was just referring to politicians who have switched parties and I see that the member for Richelieu just came into this House. I am convinced that he is interested in this issue.

**The Acting Speaker (Mrs. Maheu):** The hon. member for Richelieu, on a point of order.

**Mr. Plamondon:** Madam Speaker, my grandfather used to say that only fools do not change opinion.

**The Acting Speaker (Mrs. Maheu):** I am sorry, but this is not a point of order.

**Mr. Boudria:** Madam Speaker, it all depends on how foolish the original idea is.

So, these are the proposals made by Bloc Québécois members today. They are saying that we should not go ahead with Bill C-52.

The Liberal Party dealt with this issue in a document called the red book—and members opposite must surely have heard about it—and I would like to quote excerpts from the part of that document on how to put an end to waste.

Billions of dollars are spent indiscriminately on useless programs. It is time the government spent public money as carefully as Canadians do with their own money. A Liberal government will review government spending and cancel the extravagant helicopter contract approved by Kim Campbell. The document then lists the rest of the useless expenditures.

Those are the priorities established by our party during the election campaign, and we remain committed to fulfilling our election promises. We still intend to serve Canadians well.

Finally, I want to refer to a document on ethics and morals in the public sector, which was released by the Liberal Party when we formed the opposition and when I was the critic on government administration. Recommendation No. 4 in this document states that the Liberal Party wants to merge the Department of Supply and Services and the Department of Public Works into a single department, the Department of Government Services.

(1825)

There you are, Madam Speaker. In 1992, we consulted Canadians and defined our program. In 1993, we presented that program to Canadians in the red book. And in 1994, we are fulfilling our commitments. That is the difference between the

Liberals and the members opposite. We have said the same thing before, during and after the election campaign, and we will continue to provide a good government to Canadians, in spite of the efforts of some members opposite.

**Mr. Gérard Asselin (Charlevoix, BQ):** Madam Speaker, I do not think the hon. member's appointment has made him any smarter. His speeches have not changed.

In fact, I did not move this amendment, I merely seconded it, because you will recall, if the hon. member would read the text of the motion, that the amendment was moved by the hon. member for Québec—Est, Jean-Paul Marchand, and seconded by the hon. member for Charlevoix.

The bill amalgamates the departments of Public Works, Supply and Services, Procurement and Communications and Translation. We wanted the government to use this bill to provide some transparency in government procedures. People often say it is time the government stopped wasting money.

If we consider contracting out alone, between 1984–85 and 1992–93 there was a 56 per cent increase in this area at Public Works. There was an increase of 114.2 per cent in National Defence. There was an increase of 207 per cent at Health and Welfare. There was an increase of 247 per cent at Supply and Services. There was an increase of 628 per cent at Customs and Excise.

Although the Auditor General does a very good job, in his report he said he had been unable to assess whether the government had received its money's worth for the amounts spent on contracting out. How many people in the Public Service have been put on the shelf, while the government decides to have their work done on contract? What we want is a monitoring committee, consisting of public servants, elected representatives and people working for the Auditor General.

It also says in our amendment that members from each riding should be consulted, and I would like to explain that this was put in because of a statement by a Liberal member on the committee, who I think deserves all the credit. He said that he read a public notice in his riding that the government was preparing to make some changes in the post office there. He saved the government a million dollars. We moved the amendment simply in the interests of transparency.

My question is directed to the Chief Whip. Does he agree that the government should include elements in its bills that would reflect great transparency?

**Mr. Boudria:** Madam Speaker, I am sorry, but I thought the hon. member was making a speech, because he had been going on for quite a while. The hon. member wants to know whether we favour more openness. I am sorely tempted to answer with the following question: How could the creation of a structure

which could increase patronage be an instrument of greater openness?

(1830)

The member opposite totally missed the boat regarding this bill. We have the tools to ensure transparency. The member said that it takes a committee to go along with the Auditor General. We already have one, it is called the Standing Committee on Public Accounts. Once the Auditor General's report is tabled in the House, it is automatically referred to the Standing Committee on Public Accounts without even a motion from this House.

Under the present Standing Orders, it is automatic. All government contracts the Auditor General wants to comment on are included in his report if he believes that it is in the interest of this House; consequently, they are automatically referred to this parliamentary committee. Therefore, once again, the member's arguments are flawed. Yes, we need greater transparency, more accountability, and yes, all parliamentarians agree that we need to cut costs. This bill is going to accomplish all that and we already have all the other necessary structures.

[English]

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.):** Madam Speaker, I am grateful for this opportunity to speak on second reading of Bill C-52, the Department of Public Works and Government Services Act.

I have listened to the debate on this bill with great interest and have noticed once again how the members of the opposite side will stretch logic to the breaking point in order to turn discussion to their pet subjects.

I have also noticed that no argument, no matter how sound, will steer them away from these pet subjects with the result that we who support the passage of Bill C-50 must repeat dozens of variations on the same factual themes. They are indeed factual themes which no amount of political rhetoric can dismiss.

Bill C-52 is a clear instance of sound legislation to improve the efficiency and the effectiveness of government. It eliminates overlap and duplication. It provides for consolidation and coherence in government purchasing and contracting. It generates vast savings and taxpayers' dollars thus contributing to deficit reduction and helping restore public faith in government.

It eliminates antiquated, redundant legislation and regulation, bringing administrative practices into the electronic age. It permits single window access to information for clients, suppliers and taxpayers. Despite the declarations of members of the opposite side, there has been a great deal of talk about transparency.

Despite that fact, it has been clear from the outset that this government is committed to fairness and openness in government contracting. This government is determined to ensure that

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all contracting is undertaken in a manner that keeps the Canadian taxpayers informed, stimulates competitiveness and ensures that the process is open and fair.

Treasury Board promulgates policies that are aimed specifically at these objectives. It clearly bears repeating that the information on the magnitude of the government contracting already exists and this government is making improvements to ensure even greater openness.

In the meantime, the government encourages all suppliers and all members of Parliament to use the open bidding service that advertises upcoming opportunities to supply goods and services.

With this system, information on current as well as past purchases is available 24 hours a day, seven days a week to anyone and everyone who is interested. Suppliers no longer need to be included on a government source list. They no longer have to await an invitation to bid. They can review available opportunities in their product or service areas and order the required bid documents for those that they are interested in. Documents are forwarded immediately by fax, mail or courier.

At the same time as we take measures to ensure open access to contracting information, every practical means must be brought to bear to reduce expenditures and ensure maximum value for each dollar spent. Members on both sides of the House have acknowledged the magnitude of the task of government purchasing. The federal government is Canada's largest user of private sector suppliers with more than 200,000 transactions per year. It buys everything from stationery to military equipment.

(1835)

Members should bear in mind that by relying on program experts in the various departments the number of contracts that require the review of ministers is very small, consisting of large, risky or sensitive purchases. It is the task of Public Works and Government Services Canada to make many of these purchases on behalf of other departments. Nonetheless, close to half of all the contracts are awarded under the authority of individual departments.

Yet despite this diversity of sources and despite the massive information already or shortly to be in the public domain, members opposite insist that the government should compile and publish separate detailed information. The additional cost of gathering and publishing such information would be a glaring extravagance that flies in the face of fiscal restraint.

One hon. member has said that if research is necessary to compile the information, and I quote directly: "Goodness, gracious, hire some researchers to do the job". Another member has argued that since the cost would be such a small percentage of the total cost of government purchasing, it is really negligible.



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Is that responsible opposition and criticism? I do not think so. Is that legitimate concern for sound administration of public funds? Or is it perhaps the very kind of thinking, the very lack of respect for taxpayers' money that got us into our deficit difficulties in the first place?

A good example of an inaccurate picture is the case of Saint John Shipbuilding and the patrol frigate program. A listing of contracts by constituency would show that contract in a New Brunswick riding but no less than \$1.2 billion of the work will actually go to Quebec suppliers.

An excellent example of misleading information is the case of the petroleum companies which bill all their government sales through their Ottawa offices. It represents hundreds of millions of dollars of business per year, none of which is supplied by Ottawa.

In the end the government has to serve its clients and the public purse in the most effective and least expensive manner. Members on both sides of the House quite rightly insist that wherever feasible contracts should be competitive and should go to the lowest quality bidder.

**The Acting Speaker (Mrs. Maheu):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mrs. Maheu):** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mrs. Maheu):** All those in favour of the amendment will please say ye.

**Some hon. members:** Yea.

**The Acting Speaker (Mrs. Maheu):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mrs. Maheu):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mrs. Maheu):** Pursuant to Standing Order 45(5)(a), I have been requested by the deputy government whip to defer the division until a later time. Accordingly, pursuant to Standing Order 45(5)(a) the division on the question now before the House stands deferred until tomorrow at the end of Government Orders and following the other deferred votes, at which time the bells to call in the members will be sounded for not more than 15 minutes.

(1840)

Does the House agree to proceed with adjournment proceedings?

**Some hon. members:** Agreed.

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## ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### PEARSON INTERNATIONAL AIRPORT

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Madam Speaker, I have asked a question of the Minister of Transport, in fact the entire side, a number of times. I have asked the minister, I have asked the parliamentary secretary, I have even asked the chairman of the Standing Committee on Transport. My question has been regarding the Pearson airport contract. If they think this is a bad deal we wanted to know what they thought was a good deal.

In spite of asking all these different people, I have never received an answer. What I want to do for a moment is take a look at what is good and what is bad about this deal; first what is good, from my perspective, of course.

It would have involved \$740 million of private enterprise money going into the rebuilding of terminals 1 and 2 without any cost to the taxpayer. It would have created world class terminals at competitive and comparable rents for airlines. It would have had blended use of terminal 3 during the construction period, minimizing public disruption. There would have been a tremendous advantage to Air Canada and perhaps even Canadian Airlines.

It would have created a new world class air terminal and would have provided enhanced economic and tourism benefits for central Canada without cost to the air industry in other parts of the country or the Canadian taxpayer.

Then there is the matter of jobs, jobs, jobs—the Liberal Party election cry. The Pearson development contract would have created 14,000 person years of construction employment and another 1,200 permanent new jobs in the new facilities.

What is bad about this contract? According to the Liberals, this contract had no cancellation clause. What is interesting is that there was no cancellation clause for Terminal 3, for Vista

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cargo terminals or for the Vancouver local airport authority. They claimed that it had limited bidding. The reality is that hundreds of contracts or requests for proposals were printed, dozens were picked up, and the fact that only a few were qualified to bid on it can hardly be deemed the responsibility or problem of the Pearson consortium.

They claimed that the rate of return on investment was too high; the Canadian Imperial Bank of Commerce did not think so. It was one of the original investors but they dropped out because the rate of return dropped to less than 14 per cent, which they thought was too low for the degree of risk involved.

They complained that the contract was signed during the election campaign. Most legal opinions agree that the actual binding date of the deal was August of 1993, before the election was called.

A very selective censored review of terminals 1 and 2 provided to Robert Nixon by the associate deputy minister and classified as secret, indicates the following: rate of return too high? The Pearson Development Corporation return on investment was endorsed as reasonable by both the Department of Finance and a government hired independent consultant. They claimed the crown was not getting a good return but the reality is this report said the crown's rate of return was considerably better than a crown construction option.

I have to provide at this provide an apology because in my letter to the minister which I sent a week ago I claimed that his action was unprecedented. In actual fact, the War Measures Act in 1942 which saw the Japanese stripped of all their property, legislated payment and denied the right of appeal, sounds rather familiar.

They claim that \$445 million is the compensation sought. Court documents show no amount has been claimed, only the right to an arbitration tribunal.

So far this is all my side. Is there a Liberal side? We do not know. We keep asking the question and they keep refusing to answer it. The question is, and I will ask it again for the fourth time, if this is a bad deal, what is a good deal, what are your alternatives?

**Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.):** Madam Speaker, I am not sure that is the question we are supposed to be debating tonight. I will try in my short two minutes to respond to the member's addendum to his question.

First, the Liberal government's position is pretty clear. We cancelled the deal. Canadians obviously thought we made the

right decision because they elected us in majority numbers; in fact 98 out of 99 Ontario seats, for the member's recollection.

The current Prime Minister had given ample notice during the election that he wanted to review the deal to see where the public interest was. Once we were elected we put the public interest first and that was to cancel the deal as we had promised to do before the election. There is no question where the Liberal government stands. We think the deal was a bad deal for Canadians. We cancelled the deal.

I find it incredible that the Reform Party is actually supporting the deal. The member knows because he is the transport critic that the standing committee held hearings on Bill C-22 and brought forth witnesses to discuss the pros and cons of the bill and the deal.

It is unquestionable that the highest court in the land, Parliament, which is to determine public interest, has determined this was a bad deal. Courts may decide on the value of a contract cancelled or not; but the highest court in the land, Parliament of which the Reform Party speaks so highly each and every day, has the right to determine public interest.

We are not standing still. We are moving through our national airports policy to make sure that Pearson is the flagship of our Canadian Airport Authority. The municipalities have named their representatives. The minister has announced the completion of the north-south runway to be used for safety reasons in inclement weather, not on a daily basis. We have been waiting for the appointments of the other members of the CAA so we can get on with building Pearson, spending the \$740 million, creating jobs and making sure that Pearson remains the world class facility it was supposed to be.

We are committed not to waiting until 1998 as the member suggested in his original question but to getting on with building Pearson in the public interest as a non-profit organization called the Canadian Airport Authority. We would welcome the Reform Party's support of Bill C-22 and not it being allies with Conservative senators, which is also incredible.

We hope to get on with building Pearson and have the support of the Reform Party in that regard.

**The Acting Speaker (Mrs. Maheu):** Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.47 p.m.)

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