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Friday, October 21, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Friday, October 21, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

YUKON SURFACE RIGHTS BOARD ACT

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.) moved that Bill C-55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon territory and to amend other acts in relation thereto, be read the second time and referred to a committee.

He said: Mr. Speaker, I rise today to address the House on Bill C-55, the Yukon Surface Rights Board Act.

My hon. colleagues are very familiar with the issues relating to Yukon, particularly to the rest of the native peoples of Yukon. The House passed legislative initiatives in June that will shape the political and economic future of the territory today. We are being asked at this time to ensure that those efforts were not in vain by putting in place the final legislative building block to allow implementation of the land claims settlement in the Yukon.

(1005)

Just before the House recessed this summer we dealt with two important pieces of legislation: the Yukon First Nations Land Claims Settlement Act and the Yukon First Nations Self-Government Act.

Hon. members will recall that the first act when proclaimed into force will establish a territory wide framework for the implementation of land claim settlement agreements with each of the 14 Yukon First Nations. It will give effect to four final agreements under the framework.

The second act will give effect to the Yukon First Nations self-government agreements which are successfully negotiated. Self-government agreements have been negotiated with four First Nations for final land claims agreements: the Vuntut Gwich'in First Nation; the First Nation of Na-cho-ny'a'k-dun;

the Champagne and Aishihik First Nations; and the Teslin Tlingit Council.

Those two bills were approved by Parliament. They have received royal assent and are now awaiting proclamation into force. Before that can occur however and before Yukon residents can begin to benefit from the certainty their land claims agreement will bring, the government must establish a new surface rights regime in the territory which is what we are doing today. Bill C-55 will do that.

With the new surface rights bill, Canada is delivering on its commitment set out in the land claims settlement agreements which as hon. members know were signed by the federal and territorial governments and the Council for Yukon Indians in May 1993. That is after 21 years of negotiations.

The umbrella final agreement as it was called required separate legislation to enact a new surface rights regime which is why Bill C-55 is now before the House. Separate legislation will also be required within two years to establish the Yukon development assessment act which will evaluate the environmental impact of development proposals.

It is important for the House to be mindful of the changes that are occurring in the Yukon in order to fully appreciate the need for a new surface rights regime.

Over the coming months and years large tracts of lands in the Yukon will be confirmed as lands held exclusively by individual First Nations as their final agreements are implemented. This will signal a significant change for the territory and its residents as most land is currently held by the crown. In future the Government of Canada will no longer be calling the shots or laying out the ground rules for use of land throughout Yukon. More and more crown land in Yukon will become private land owned by either Yukon First Nations or by private citizens as is the common situation in much of Canada.

Under the land claims agreement Yukon First Nations will have title to both the surface and subsurface mines and minerals on some of their settlement lands known as category A lands. On category B lands the First Nations will own the surface but the crown will retain its interest in the subsurface. However, to get at minerals below the surface, companies will require access over the surface.

As hon. colleagues know from our debate on the Land Claims Settlement Act, we anticipate that mining and petroleum companies will be eager to begin developing Yukon subsurface resources. In fact the desire to establish certainty of land

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ownership and rights so that resource developments can go forward is one of the driving forces behind the land claims settlement agreement.

The government must do everything in its power to support economic development while respecting and protecting the rights and interests of both aboriginal and non-aboriginal Yukoners. That means looking ahead, preparing for change and working with the various parties to ensure fair and reasonable treatment.

Years of uncertainty concerning land title in Yukon will now end with the completion of the land claim. The surface rights bill concludes the package necessary to bring the land claim agreement into effect.

The bill will require people to attempt to negotiate agreements before bringing a dispute before the board. It will also establish a process to obtain access to private and public lands that will put in place a mechanism to deal efficiently with disputes between the surface owners of the land and the owners of the subsurface resource.

(1010)

The bill is important. It is procedural but it is important because without this bill the other two bills will not come into play. It is our responsibility not only to do the first two bills but to ensure that all the bills we undertook to bring in are brought before the House.

The Yukon First Nations land claims have been discussed in Yukon for over 21 years and it is going to take me another year to get all these bills through. The Council for Yukon Indians submitted its claim in 1973.

The bill in particular is the result of extensive consultations with representatives of the First Nations, the territorial government, the mining industry, including the Chamber of Mines and the Klondike Placer Miners Association.

Sometimes I think all they do in Yukon is discuss these bills. I keep referring to the same people. If they are watching on television they must be getting a chuckle out of this. Consultations have taken place for more than a year and many of these parties have been directly involved in drafting this legislation.

Under Bill C-55 the surface rights board will be given a range of powers, including the power to establish terms and conditions of access on both settlement and non-settlement land, and the power to award compensation for access and for damage resulting from that access.

There are a number of instances in which the surface rights boards might become involved in dispute resolution. For example, if a new mineral rights owner and a First Nation or surface rights holder cannot reach a negotiated agreement—and there must be an attempt at negotiation or they cannot get to the board—permitting access to the land and minerals, the operator

can apply to the Yukon surface rights board for a right of entry order. In such a case the board might issue an interim access order while compensation and other issues are addressed either by the parties or by the board.

The board could also award partial compensation when issuing an interim access order. It would establish an entry fee to be paid to the Yukon First Nation on settlement land before the access order could be finalized. There could be no entry fee for access to non-settlement land.

Bill C-55 will provide that an order of the surface rights board will be enforceable through the Supreme Court of the Yukon territory. The board may review its own decisions if it believes there has been a change in the facts or circumstances.

Decisions made by the board may be appealed to the Supreme Court of Yukon on limited grounds such as bias or a lack of procedural fairness, much the same grounds that are prevalent on any board. It is a procedural appeal on bias, fairness or lack of cross-examination, those types of appeals, but not on fact finding or things of that nature. Our objective is to keep surface rights issues out of the courts as much as possible. Litigation is costly and time consuming for all parties.

Hon. members should also be aware that resolving disputes through the surface rights boards will be used only as a last resort. People will be required to attempt to negotiate agreements and possibly to seek mediation before bringing a dispute before the board.

The surface rights board is not adding another layer of government in Yukon; in fact the opposite is true. In other words, we are not creating more government; we are helping to build better government. We are ensuring that all sectors of Yukon society will have a respected voice and direct participation in the decision making process that in the past has been exercised by government alone.

This is clearly a time of change in Yukon, but change that is properly planned and managed. Bill C-55 is part of the process of managing change. I am confident that the surface rights regime will work to the benefit of all Yukoners.

It is time, as has been pointed out in the red book, that we devolve jurisdiction to Yukon. This was our commitment; this is what the Prime Minister said. There is a series of initiatives and legislation that will come before the House this fall. Hopefully within the term of this government Yukon will have all the powers that a normal province would have.

(1015)

The leader of Yukon wants to proceed. I talk to him on a fairly regular basis. He really has an idea of where he wants to go. With the DIAND employees he wants to be fair. He is trying to be fair with us, dealing with the federal government, even though we do not have the same political stripe. He is a very fair

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leader. Within three or four years this will be done and Yukon will fulfil its destiny.

We hear so much about Yukon. We read so much about Yukon. We run Yukon from Ottawa. I do not think it is right and I do not think it is something that we want. This is one more building block to do exactly what the Prime Minister and the party said in its red book, to evolve Yukon and let it take its destiny into its own hands.

The Government of Yukon, the First Nations of Yukon, the Chamber of Commerce in Yukon and the rest of them we are consulting with on a regular basis.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, it is with pleasure that I rise on behalf of the Official Opposition to speak to Bill C-55, to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other acts in relation thereto.

This bill was introduced after two other pieces of legislation, namely the Yukon First Nations Self-Government Act and the Land Claims Settlement Act, were passed by this House last June.

Before getting into my analysis of Bill C-55, I would like to describe these two acts to show how important they are and, because of its connection with these acts, how important it is that the bill before us this morning be passed, even if it means making appropriate amendments, which we will consider in committee.

All bills concerning Yukon Indians arise from an extensive process started in Canada, and in Quebec, in particular, two decades ago, when the government of Quebec signed with the James Bay Cree an agreement that came to be known as the James Bay Agreement. This agreement resulted at the time from negotiations conducted in good faith. The Cree were happy, the government of Quebec was happy, Hydro-Québec was happy and the federal Parliament had assented to the enabling legislation for the James Bay Agreement.

I want to make it quite clear that what is going on in the Yukon, as well as what happened in the Northwest Territories and is happening in several parts of Canada in terms of negotiations with native communities, is nothing new. It is not to be dreaded. We are not breaking new ground here. This is a process that was initiated a while back. Certain experience was gained, especially in Quebec, and I would think that it was a pleasant one in the case of Quebec.

In June, we passed two acts concerning Yukon Indians. The first one was designed to provide certain guidelines regarding self-government. It is a self-administration agreement. Some areas of the Yukon have been inhabited from time immemorial by Native peoples. Over the years, these peoples have seen the

south expand onto their lands. Mining companies came, trappers came and people from abroad came to the Yukon. The natives saw this happening and thought to themselves: "These people are on our land". I think that it was legitimate for them to want to be masters in their own house so to speak. So, negotiations commenced and from these negotiations arose, among other things, an agreement respecting self-government for first nations. I think it is important to point this out.

(1020)

The first nations have their own personality, existence and cultural identity, and I think no one here questions the existence of an Aboriginal, Indian and Inuit identity in Canada, which is destined to grow and assert itself.

The agreement on self-government would allow Aboriginal people to make decisions in a number of areas concerning them. They were given—I will go over this quickly as it is not necessarily the subject matter of the bill before us but I think it is important because it is related—some legislative powers, for example for local and private laws relating to social programs and services. It is very important for Native people to be able to set up social services meeting their needs.

I read in this morning's newspapers that Mohawks in Quebec have been given responsibility for job training, which is one of Quebec's traditional demands. We in Quebec have always said that, as a people, we wanted to develop our own workforce, and we see in this morning's newspapers that the federal government will examine how it will be done and the objectives it is pursuing, at least in the case of Quebec's Native people. At the outset, however, we note that the federal government agreed that it is important for a nation, a people to control some aspects of its workforce and social programs.

Mohawks in Quebec will have responsibilities in this area, similar to those given in the agreement on Yukon Indians. I say given because, if we look at what is happening with Canada's Native peoples, I think that in the last century and the first part of this one the federal government put itself in the position to give such responsibilities to the people. Even the Indian Act is very clear on this.

The Yukon Aboriginal people were given some elements of self-government such as responsibility for social programs and citizen services and the power to impose fees and to collect certain taxes. In addition to all this, each first nation will have its own constitution and citizenship code. Each will be able to have authority in the administration of justice.

You can see how all this was done: peoples with their own identity were given certain tools to ensure their autonomy. This House should be congratulated for having passed Bill C-34 last June. It is all very well to have some self-government, to have responsibilities, but you also need a territory on which to exercise those responsibilities and over the past 20 years, the

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Yukon Indians, as the minister said, negotiated to reach a land claims agreement.

This agreement was the subject of Bill C-33, which this House passed in June. It is a framework for 14 Yukon First Nations—the Yukon Indians are divided into 14 First Nations with a population of 8,000 or 9,000. The agreement provided for a certain division of lands. Yukon is a vast territory covering over 41,000 square kilometres. On some of the land, the native peoples were granted ownership of the surface and sub-surface, or should I say that their ownership was recognized.

On other parts of the territory, they have only surface rights. This means that the jurisdiction they obtained in the self-government agreement can be exercised on certain territories.

(1025)

The land claims settlement gives the native peoples some other benefits; for example, Canada conceded \$242 million in compensation divided among the 14 nations for a certain number of years. They also obtained rights to exploit the wildlife for purposes of subsistence within the territory. They obtained exclusive hunting rights within other territories.

That law gave them a territory and clarified the question of surface and sub-surface rights. That is important because for many years Southerners like me thought that the North was a place where very little happened. There was snow and nothing else. We did not know that it was the homeland of native peoples who had been living there since time immemorial.

But the North became topical, in Quebec and in the rest of Canada, when natural resource development attracted individuals and companies interested in oil or hydro-electricity. From that point on, it was necessary to define who was entitled to what territory and who could do what within it. I think that we are well on the way to determining that with the two laws on self-government and land claims.

It is important in the Yukon, the Northwest Territories and everywhere in Canada to reach a sort of friendly agreement among the various population groups on how the land will be occupied. Groups which have their own identity must be able to maintain and affirm that identity without interfering with the activities or identity of other Canadian communities.

Whether in Canada or in Quebec, and this is particularly true in the case of the aboriginal issue, I think everyone will agree that there is good will on both sides and that a satisfactory agreement for all concerned will be reached.

I referred to agreements regarding self-government. I also said that Yukon first nations had obtained rights regarding the definition of territory. However, once certain rights are recog-

nized, there may still be disputes and controversies. At some point, certain issues will have to be settled, whether these concern some corporations from the South interested in promoting northern development or Canadians wishing to do things in the Yukon. Someone will have to make decisions regarding the rights of everyone concerned. As is always the case, laws and regulations are passed, but there has to be a court of law or an administrative tribunal to render decisions, otherwise things simply do not work.

Let me give you an example. In recent weeks, the Committee on Aboriginal Affairs and Northern Development looked at what happened in Manitoba when Hydro Manitoba tried to build a number of dams to generate hydroelectric power on the Churchill and Nelson Rivers. The committee found that an agreement existed but had not been implemented. I hope to have the opportunity to provide more details to the House on this issue when we will look at Bill C-36, which deals with the Split Lake agreement, in northern Manitoba. The problem with hydroelectric development on the Churchill and Nelson rivers in northern Manitoba is that a rather vague agreement was reached but never implemented. The result is that, almost 20 years later, the issue has to go back before Parliament and new agreements must be reached so that the original one from 1977 can be implemented.

(1030)

As you can see, it is important, when establishing new definitions of territory and rights, to make it very clear that a body is also created to settle disputes.

This is exactly what Bill C-55 does by establishing the Yukon Surface Rights Board. As its name indicates, the board will have jurisdiction over surface rights. In other words, it will be established to settle any discussion, dispute or argument individuals or corporations may have on this issue.

The board members will be designated by the federal government. The bill provides for up to eleven members to be appointed, one half on the recommendation of the Yukon First Nations. I think this is very important, because the disputes the board will have to settle directly affect the Natives, the first people of the Yukon.

So, I think it is important for the Yukon residents, as well as for the people of Canada and of Quebec, to know that, when such disputes will arise, there will be some members on this tribunal, which is not really tribunal, but a board authorized to arbitrate in this type of disputes, who will know what life is for Natives. This is important, because those who pass judgment on a justice issue or any other matter must understand the point of view of the various people from different backgrounds appearing before them.

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Fortunately, this bill provides for half of the board members to be appointed on the recommendation of the Native people. I would have expected nothing less but I would hope that the Yukon First Nations will recommend people from their own communities.

However, one section of the bill says that board members do not necessarily have to come from Yukon. Does that mean that somebody from Montreal, Ottawa or Saskatoon, for example, could sit on this tribunal? It makes you wonder. Surely, there are in Canada people who are quite competent to rule on the issues that will be put before the Board. But I, for one, would prefer to see Yukon residents on this board, as they are in a position to make a judgment on the facts they are presented with in the light, again, of the cultural point of view of aboriginal people, of the first nations who will ask the board to make a decision.

As I said, this bill essentially provides for the creation of the board and stipulates how it will be set up, how it will work. It defines its responsibilities, its jurisdiction and its funding. The federal government will take care of its funding.

(1035)

Maybe this issue will be discussed further in committee because, when we talk about costs these days in Canada, people become nervous. They have the impression that the government's main objective is to cut spending. But we know that, in reality, all the money that the government collects is used to provide adequate services to Canadians. After all, the important thing is to make the people happy, and not necessarily to make bankers, creditors and financiers happy. As politicians, we have to consider what is best for Canadians. But I am getting away from the issue here.

When we study this bill in committee, some people may wonder how come the government is paying for this board. I think it is quite normal that the government should pay for this board, the same way it pays for the courts and for a number of other agencies which have to be financially independent to be able to exercise their jurisdiction. I do not think that it would serve the interests of Canada, Quebec or the Yukon first nations if the board established under Bill C-55 were ineffective because of inadequate funding.

You certainly can infer from my remarks that my party supports the adoption of Bill C-55. Obviously, we will examine a number of its provisions more closely in committee. After all, it is a complex piece of legislation. In all these situations, the average Canadian who looks at the issue wants justice to be served. The average Canadian agrees that aboriginal people should get all the guarantees they need for their collective survival and development. The importance of that has been well understood in Quebec.

The Quebec government did recognize the first nations in its jurisdiction through a motion passed by the National Assembly. There have also been new developments since the election of the Parti Québécois. Proposals have been made, and, despite radical positions by first nations in Quebec that may be more negotiating positions or posturing for the media that anything else, a new spirit has emerged. The Quebec government has made firm proposals, and there will be more.

People in Quebec are open to the concept of making new proposals, and Canadians would also like to find a basis of agreement that would be acceptable to all peoples in Canada, whether it is the Quebec people, the Indian peoples or nations, or all other groups in Canada.

The bill should be examined closely in committee so that Canadians can be sure that their federal Parliament did its homework and that the content of the act is reasonable. In matters such as self-government and land claims, it is all too easy to be destructive. Passion and prejudice can come into play, and there is always a risk of disinformation.

Since I became a member of the Aboriginal Affairs Committee, I have a better understanding of the status of aboriginal nations in Canada, although like many Quebecers and Canadians, I was already very sympathetic and very receptive to certain aboriginal claims. Recommendations and requests submitted to the committee were linked with the very survival of these nations as such.

(1040)

As a Quebecer, I am on very familiar ground when people talk about self-government, nations, territory and rights, because in Quebec, ever since I became aware of the political situation, at least since the early sixties, that is the kind of language we have heard. It is a language I understand, and these positions are ones I have taken myself. I think it is important for nations to keep their identity, to survive and develop their potential.

When a nation disappears, when a culture disappears and when an identity disappears, this weakens us all, because in today's world we must realize that uniformity and levelling differences are not the answer to our problems. The future belongs to those who recognize the rights of others and that all nations, languages and cultures should be allowed to live and thrive.

When we consider this kind of legislation and discuss it in the House and in committee, we should carefully examine what is at stake. Obviously, all committees, whether we are talking about the Committee on Human Resources or the Defence Committee, are expected to do a good job, but when we are talking about aboriginal issues in Canada, I think it is very important for parliamentarians to proceed carefully in order to make the right decisions and do a good job of informing the public.

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In fact, there are a lot of rumours and a lot of biased information going around. When I mentioned to my constituents that we had a land claim settlement agreement involving fourteen Yukon nations, they said: "What is going on? Are you splitting up the country, are you giving Canada and part of our taxes to aboriginal nations?" I told them: "Of course not".

Then you explain the situation. There are aboriginal nations in Canada who have certain rights. There are territories, and these territories must be shared. We have to live together, so we have to decide how and this means negotiating agreements, which is what happened in the Yukon. An agreement was negotiated and will now be ratified by the Parliament of Canada. We had the same procedure for James Bay. Today, agreements are being negotiated in Northern Quebec and with other aboriginal nations in Quebec.

In my region we have a Montagnais nation, the Lac-Saint-Jean Montagnais, who are negotiating a land claim settlement. Last year, they concluded an agreement with Hydro-Québec on payments in connection with power transmission. I think we are moving slowly toward a mutually acceptable way of life which will benefit all Canadians.

However, I feel we should keep people informed so that they can understand fully what is going on, what our goals are and within what framework we are going to proceed. Otherwise, people harden their position and oppose everything. They then set conditions which virtually amount to outright rejection. And so I think it is important to establish a framework, as we are doing in Quebec, especially on the issue of border immutability. I believe my party, the Bloc Québécois, said it quite clearly recently. The Parti Québécois also said it. The issue of negotiations with the native people is open, but when it comes to Quebec's territory and the future of its borders, that is not negotiable.

(1045)

I trust that, just as an agreement has been reached with the native people regarding the Yukon, Nunavut and other regions of Canada, Quebecers will reach agreements with native peoples in Quebec, because we share a territory. Quebecers have lived there for over 350 years. Personally, my ancestors came to Canada in 1636. I do not come from France or anywhere else. I come from Quebec. I cannot imagine that I could live anywhere else or that I could not live on this land, which is mine.

I consider Quebec as my homeland, but I know perfectly well that some people in Quebec consider parts of that territory to be their own. Since we are together and we must live together, we must negotiate and come to an agreement.

I have every confidence that, throughout Canada we will reach agreements similar to the one that came about in Yukon.

We will do the same thing in Quebec and we will finally find common ground. But in order to do so, we must express clear objectives and the agreements must be examined closely, and everything must be explained thoroughly. That is why we will study the bill carefully in committee. Many questions come to my mind and I certainly do not want to debate in this House topics that will be discussed in committee. We will want to clarify a few points; for example, we will want to know why one clause specifies that, if board members were in a major conflict of interest situation, they could not vote on a given issue. I feel that when you are in a conflict of interest, you should not rule on any matter whatsoever.

The Bloc Québécois still supports the substance of this bill, because it will create an organization which will resolve or alleviate problems in the implementation of agreements that were reached on self-government and land claims. I think that it is important to create an organization which will be able to operate in the best interest of everyone.

That is what we will be examining in committee. We will ask some questions. From what I can see, first of all, we will possibly move some amendments so that the board can function in the best way possible. We do not want to use opposition to the bill, or to some of its clauses, as an excuse to indirectly cause the failure of the agreements that were reached in the Yukon. These agreements must be implemented. That is absolutely necessary. We do not have the right to disappoint some people, the Indian nations, to disappoint the people of Yukon who were expecting these agreements.

Let us keep in mind what happened on the Nelson and Churchill Rivers in Manitoba. I think that situations such as the ones that happened there should not occur elsewhere. That is why there must be some organizations that are able to rule on the implementation of agreements. And the bill before us is aimed at defining an organization such as these.

Rest assured that the Bloc Québécois will do everything that is possible and imaginable to make that organization as functional as possible, as efficient as possible, so that the agreements that were reached in good faith between the government of Canada, the government of Yukon and the nations of Yukon are implemented to the benefit of the people of Yukon, of the nations of Yukon, of the people of Canada and of the people of Quebec.

(1050)

[English]

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, it is a pleasure to begin second reading debate on Bill C-55 on behalf of the Reform Party. It is important to recognize the importance of the mining industry to Yukon. It is a major,

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non-government industry in a jurisdiction that is more than 70 per cent dependent on federal government spending.

In some ways one could look on debate of Bill C-55 as the end, the resolution, and the confirmation of the principles contained in Bill C-33 and Bill C-34.

The mining industry has a current campaign called "Keep Mining in Canada". Governments have tended to take the industry for granted in many jurisdictions where it has made operations very difficult, expensive, time consuming and uncertain. Also we have a Canadian tax regime that can be considered unfriendly in international terms.

Within my riding there are several operating mines. The BHP Utah mine, the Westmin mine, Texada mines and Quinsum Coal. Quinsum Coal has 25 employees who previously worked at the Westray mine in Nova Scotia. We all know Westray is where they had the disaster. These people feel very abused by actions of government.

I understand, accept and realize that there is pent up investment in the Yukon waiting for the uncertainty of Bills C-33, C-34 and C-55 to be over and done with so that investment can take place. This is a situation where the bureaucracy knows best.

In Whitehorse, to my surprise, the Department of Indian Affairs and Northern Development vehicles say Indian and Northern Affairs Canada. There is a tendency within the bureaucracy toward the native affairs side rather than the northern development side. The focus is changing from one of servicing mining industry needs to other priorities. I see this symbolized. The rationale is that it translates better into the French. I do not view that as reason enough. I have viewed this in a previous life in Parks Canada where I always had an understanding that Canadian parks were set up for Canadian taxpayers to enjoy a park like setting.

Within the parks service, the group primarily oriented to servicing the public was the park warden service. What we viewed within the bureaucracy was competition between the park wardens and the naturalists. The naturalists have won those competing agendas. If we want to progress within that bureaucracy our opportunities are much higher if we come from the naturalists side. That has now impacted on the mission statements of Parks Canada in many ways.

This has been foisted on the Canadian public without their full knowledge. One could ask the question: Why does the Minister of Natural Resources have the mandate for the Metis in Canada and the Minister of Indian Affairs and Northern Development have the mandate for mining north of 60 degrees, in other words, the territories. The north is already suffering because it is the playground of the federal government and the federal bureaucracy. I recommend that we do not reinforce this by making it one minister's playground.

(1055)

Yukon has only 28,000 people. I am sure they will make bad rules work. I understand last year the Yukon economy dropped by 19 per cent due to the closure of one major operating mine, the Faro mine. I also understand that the economy of the Northwest Territories shrank.

Bill C-55 is meant to fulfil commitments to implement the constitutionally protected final land claim settlement agreement known as Bill C-33. Bill C-55 may confirm the principles contained in Bills C-33 and C-34 but it in no way ends disputes or in itself resolves conflicts that may arise.

Mechanisms or boards put in place are only as good or as confident or as well intentioned as the people we place on these boards. We have only just begun.

Since Parliament began in January 1994 we have concluded massive land claim settlements for the Sahtu, Dene and Metis to the tune of \$197 million. We have concluded the Yukon settlement for which we are here today to the tune of \$163 million.

This is not the total dollar amount. The implementation costs will run another \$263 million for these claims for a total of \$596 million, according to the public accounts released this week. According to these same public accounts, there are contingent liabilities of \$8.3 billion in claims in pending and threatened litigation.

Despite the finance minister's declaration that we are in hawk up to our eyeballs, the government continues to ignore the perilous fiscal situation we have created and continue to sustain in land claim settlements.

In addition to the \$8.3 billion I just mentioned, there are another 460 specific native claims and lawsuits that currently have no dollar figure and currently do not form part of the known liabilities.

Frankly no one knows what the total amount may be. That is the frightening part. If the Minister of Finance is that concerned with the fiscal situation he might want to start a review of the policy and settlement mandate the minister of—

The Speaker: We will be taking up the debate right after question period and the hon. member will be recognized at that time.

It being 11 a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

S. O. 31

STATEMENTS BY MEMBERS

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN

Mr. Martin Cauchon (Outremont, Lib): Mr. Speaker, it is about time that Bloc members recognize and give credit to efforts made by both levels of government and concerned Quebecers to find a new vocation for the Collège militaire royal de Saint-Jean.

On July 19, both governments reached an agreement under which the federal government will provide \$25 million over five years to set up a university study centre. Starting September 1995, Quebec will be in charge of the centre's operations. Everyone agrees that this plan will boost the local economy.

Moreover, a working group made up of representatives from the business world, labour, financial institutions, and socio-economic agencies came on board in early September with a view to drawing up an action plan concerning labour re-training and the economic diversification of surrounding communities.

As further proof of the merits of joining one's efforts to those of the various stakeholders, the college is still alive and has a new vocation.

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BREAST CANCER WEEK

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I would like to bring to the attention of the House that Breast Cancer Week is coming to an end. I hope that, this week, all stakeholders in the political and scientific community have had the opportunity to stop and reflect on the importance of research and of funding support groups as a way to find a cure for this disease, which affects an increasing number of women.

Such reflection is important because, notwithstanding lofty statements in support of medical research in this area, several women's groups are questioning the health minister's sincerity. For example, the federal government is going to sink \$12 million in a forum on health which is bound to fail, while research on breast cancer needs additional money to be able to make important inroads.

The Government of Canada must send a clear message to Canadian and Quebec women.

* * *

[*English*]

PENSIONS

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, in response to a request from my riding of Okanagan—Shuswap I call on this House to support the Canadian Alliance of British Pensioners in their fight to get their United Kingdom

pensions indexed here in Canada. These British pensions are already indexed in the United Kingdom, the United States and Europe.

Were these pensions indexed to today's levels, Canadian taxpayers would be relieved of some of their responsibility to support many of these people who may receive as little as \$10 a week after a lifetime of mandatory contributions.

Many British pensioners living in Canada today were our allies or support personnel during the second world war but today find themselves in poverty despite their own best efforts because of worldwide inflation which has eaten away at the value of their retirement income.

Their cause deserves our support.

* * *

[*Translation*]

ECONOMIC RECOVERY

Mr. David Berger (Saint-Henri—Westmount, Lib.): Mr. Speaker, almost a year after the election of a Liberal government, the economic recovery is well under way and Canadians are regaining their confidence. This recovery is being acknowledged by consumers. According to a recent report from Statistics Canada, consumption this year had gone up almost 10 per cent. More than 240,000 new jobs have been created over the last year, 60,000 of them in Quebec. Exports are on the rise, and so are company profits.

Confidence is spreading to the whole country, and this is proof that the Liberal government has fulfilled its electoral promises. I urge my colleagues in government and in opposition to co-ordinate their efforts to continue giving Canadians equity, expertise and leadership.

* * *

[*English*]

CANADIAN BREAST CANCER FOUNDATION

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, it is estimated that approximately 17,000 Canadian women will develop breast cancer in 1994. Consequently the Canadian Breast Cancer Foundation was established in Toronto in 1986, spearheaded by Nancy Paul.

With the incidence of breast cancer rising by 15 per cent each year, the Canadian Breast Cancer Foundation has devoted its energies to fund raising for more research, treatment and education.

This week they are holding the third annual Honda Events "Run for the Cure" in seven major cities across Canada. These events will take place in Toronto, Vancouver, Victoria, Calgary, Edmonton, Winnipeg and Ottawa on Sunday, October 23. We wish them well and encourage all Canadians to support them in this endeavour.

[Translation]

THE ENVIRONMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, the Minister of the Environment announced that the Canadian Environmental Assessment Act would be proclaimed shortly.

The four main regulations for the enforcement of the act have been amended to make them stronger than the versions released by the previous government.

The minister also announced that three amendments would be submitted to the House in order to improve some important provisions of the legislation. First, we will confirm the principle of financial help to groups wishing to be heard by the assessment boards.

Second, board recommendations will have to be submitted to Cabinet. However, should Cabinet decide not to follow the recommendations, it will now have to answer to the people and explain its reasons.

Third, the principle of one project, one assessment, so dear to the hearts of our colleagues opposite, will be included in the legislation to remove any ambiguity.

It is therefore clear that the commitments contained in the red book are being fulfilled.

* * *

(1105)

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, the Portuguese community in Quebec and in Canada is offended by the attitude of the Department of Citizenship and Immigration, which requires that their visiting relatives have a visa. The 300,000 members of this community, 60,000 of whom live in Quebec, find it unacceptable that Portugal is the only country of the European Economic Community subject to this requirement.

The Bloc Quebecois feels that there is no justification for maintaining such a requirement, given that the department is preparing to waive it for Hungarian tourists and has already done so for Koreans.

Mr. Minister, I would ask you to do the responsible thing and stop this groundless discrimination.

* * *

[English]

HIBERNIA

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, on October 19 the Minister of Natural Resources in the House assured hon. members that her government anticipates a reason-

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able and fair rate of return on Canada's investment in Hibernia. However, in a letter from Ken Hull, president of the Hibernia Management and Development Company, dated June 1994, he said:

Sufficient revenues will be generated to cover all gross capital and operating costs, but no return on investment.

Even this statement is suspect. If one cares to do some simple arithmetic on the project simply take \$16 billion, which is the total cost of the project, divide it by 615 million barrels of recoverable reserves and one gets a figure of \$20.75 per barrel. With today's oil priced at \$17.55 per barrel, it is not only difficult to see any return on investment, it is difficult to see how the project will cover capital costs.

It would be nice if the minister might one day explain these inconsistencies.

* * *

WOMEN'S INSTITUTES OF CANADA

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I would like to take this time to pay tribute to the Women's Institutes of Canada, particularly the members of the women's institutes in Perth county and the Avonton branch which is celebrating its 70th anniversary in community service.

The Women's Institutes of Canada was founded as an educational organization based on principles of sound nutrition, safe food, health and fitness and the right of women to have access of up to date information on issues that affect themselves and their families.

There are over 16,000 members in Ontario alone. The organization has been instrumental in accomplishing a number of improvements in our way of life.

Mr. Speaker, did you know that it was women's institutes that fought for the pasteurization of milk, signs at railroad crossings, buses stopping at railroad crossings, clear marking of poison on containers and the painting of white lines on our highways for safety? These are just some of the things that we take for granted today that were once the rallying cries of women's institutes.

I congratulate all members of the organization.

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CANADIAN WHEAT BOARD

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I congratulate those western farmers who showed their strong support yesterday in Regina for the Canadian Wheat Board. It is high time the silent majority of farmers in the west took a strong public stand in support of, as one farm leader stated, this world class selling agency.

I was greatly concerned on the other hand to see those few who advocated a dual marketing system for wheat so openly declare their intention to violate the laws of the country in order

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to get their own way. "Catch me if you can", said one of the law-breakers.

I remind the House that the single desk marketing system this country has for wheat and barley is under a well organized and concentrated attack by a few individuals in the trades so a few can gain at the expense of the many.

Again, my congratulations to the majority in western Canada who are pro-wheat board farmers for speaking out. Keep up the fight. The government is with you.

* * *

AL HOPKINS

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, I want to pay tribute to a Canadian business leader. Mr. Al Hopkins, the president of Algoma Steel, recently received as part of his employment contract a \$400,000 performance bonus, but he gave it back.

Algoma Steel is still struggling and the workers who own 60 per cent of the common stock have their wages frozen. Mr. Hopkins realized that taking the bonus would have eroded the team spirit he was trying to build. In his own words: "The basic thing is trust. Once you establish a base of trust you can do a lot of things".

Mr. Hopkins obviously rejects the personal greed so prevalent in the last decade. He understands the need for co-operation, trust and team work. Mr. Hopkins is a business leader of the 1990s in the true Canadian tradition.

Please join me in applauding him today.

* * *

(1110)

[Translation]

GUN CONTROL

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, it was with dismay that we learned of the events in Port Perry and at Brockton High School, in which seven people, three police officers and two teachers were shot yesterday. I would like to extend my sympathy to the people of Ontario, both personally and on behalf of my colleagues in the Bloc Québécois.

Quebecers are very sensitive to this kind of violent act. Well they remember the tragic events at the Ecole polytechnique and at Concordia University, to mention just two examples, and these events will remain engraved in our collective memory. We can only reiterate our appeal to the Minister of Justice to table in this House at the earliest opportunity a bill ensuring better control of firearms.

[English]

Again, let me offer my deepest sympathy to those who were affected by this wanton act of violence.

* * *

THE ECONOMY

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I have consistently spoken out against the infrastructure program as a program which taxpayers cannot afford in view of the deficit and debt we are struggling with.

Since the government was determined to spend tax money I supported a project that was infrastructure and included private sector funding. If we are going to put additional debt on the shoulders of our children and grandchildren let it be to the common benefit.

At least this project was true to the red ink book promise of transportation and communication links and water and sewage. There is no mention in the red ink book about bocce courts, canoe halls of fame or trade centres. It is this deviation that causes distrust in the voters.

Given the recent discovery by the finance minister that the deficit and debt are indeed as serious as Reformers said they were this program should be stopped now.

The debt clock this morning is at \$535,119,203,409.

* * *

GUN CONTROL

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, in the last few hours Canadians have learned once again of violent deaths associated with armed robbery and other forms of misuse of firearms. I emphasize the misuse of firearms.

Considering the ongoing misuse of firearms and the increasing nature of violent crimes associated with firearms, is it not time for the minister, for the cabinet, for the government and for the Parliament of Canada to reflect what Canadians are telling us, that is to institute a zero tolerance for the misuse of firearms in this country and instruct the Minister of Justice to bring in legislation to change the Criminal Code to reflect the zero tolerance position of the country?

* * *

SMALL BUSINESS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the Standing Committee on Industry has just released its report on banks and small business.

I hope the government will act on this report to make Canada an even better place to do business.

I thank all those who helped the committee produce this report and in Peterborough riding my thanks to all those who appeared

before the committee or who submitted briefs and to those who appeared before the task force on small business in Peterborough; thanks to the greater Peterborough Chamber of Commerce, local banks and all those individual business people who gave me good advice during the process. Finally, I extend my thanks to the chair and staff of the standing committee and to my colleagues on it.

Let us continue taking care of business in Canada.

* * *

GOODS AND SERVICE TAX

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I rise today to voice my concern about GST reform. One aspect that particularly concerns me is the possible loss of GST rebate received by municipal governments.

Being a former mayor I know firsthand the benefits of the exempt status for municipalities. If GST is levied on municipalities it will place an immense financial burden on local governments and a greater burden to their taxpayers and possible higher tax rates.

Municipal governments across Canada are experiencing serious revenue shortfalls as are all other levels of government. Already local services are being threatened despite their best efforts to implement efficiencies.

I urge the Minister of Finance and the Minister of National Revenue to commit to placing no more greater tax burdens on municipal governments through the reform of the GST and to continue the rebate system that was negotiated with the previous government.

* * *

EMPLOYMENT

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, this week Atlantic Canadians were encouraged to pack our bags and head west to find jobs and quickly.

I have news for the hon. member for Capilano—Howe Sound. The government believes that all Canadians deserve the dignity of a job. Our position of respecting and supporting the various needs of Canada's regions has built this country. It was the farsighted immigration policy of Sir Wilfrid Laurier that helped build the west.

(1115)

I want to remind all members that since last October there are 275,000 more jobs in the country; 26,000 of those jobs are in Atlantic Canada. This sends a strong message of hope to our region. There is hope for improving our economy.

The government is committed to Atlantic Canada. It is committed to all provinces. It is committed to Canada.

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[Translation]

COMMUNICATIONS SECURITY ESTABLISHMENT

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday, when the Deputy Prime Minister was questioned in the House, she merely drew our attention to the fact that espionage activities in Canada were subject to Canadian laws. At no time was she able to confirm who was in control of the Communications Security Establishment in Canada. I may recall that the RCMP officers who planted bombs and stole Parti Québécois membership lists were subject to Canadian laws.

Could the Prime Minister confirm that no government democratically elected in Canada, no political party, including the sovereignist movement in Quebec, was spied on by foreign intelligence services, at the request of the Government of Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, all security services in Canada, which are necessary in any democracy, abide by the rules set by the Parliament of Canada.

Personally, I can confirm that I never asked them to spy on any party or politician in Canada. I am a democrat, and I do my fighting out in the open. As for the opposition parties, there are not that many problems, and I do not need spies. I will go into battle with weapons everyone can see. And we are going to win!

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, you will notice that the Prime Minister refused to confirm or deny that the Government of Canada might have asked foreign governments to spy on political parties in Canada or on democratically elected governments. He simply said he did not do so himself. That is not very reassuring.

Yesterday, the Deputy Prime Minister said in this House, and I quote:

[—] that the activities of the CSE are totally subject to Canadian laws, including the Criminal Code, the Canadian Human Rights Act, the Privacy Act and the Charter of Rights and Freedoms, and they obey the law.

That is what she said, and I want to ask the Prime Minister whether he could explain how his Deputy Minister could be so positive about what she said, when it is clear the CSE is controlled by no one and is accountable to no one?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the line of authority is well known. The Minister of National Defence is responsible for this agency, and if there are any particular problems, the Minister of National Defence can bring the matter to the attention of the Prime Minister. That is the line of authority.

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When all is said and done, the ultimate responsibility for this government always lies with the Prime Minister. What the minister was saying yesterday is that we ask all these agencies to abide by the law. There is no country that is more democratic than Canada. You are here to prove it. This is the only country where the Leader of the Opposition and his party want to destroy the country in which they live. This does not exist in any other democracy.

I can stand here and say without any hesitation that Canada is the most democratic country in the world. I ask all federal agencies to obey the law. Canada will continue to be the greatest democratic country in the world, the only country that allows the Leader of the Opposition to be someone who wants to destroy the country when his duty would normally be to serve that country.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I simply want to remind the Prime Minister there was an election campaign, the stakes were clear and we are the result of that campaign. But that is not the point.

The point is this: How can the Prime Minister expect his evasive answers on this issue to reassure Quebecers, when we know perfectly well that all illegal activities by the RCMP in Quebec, including stealing the Parti Quebecois membership lists, were subject to federal laws and took place under a Liberal government, of which he was a member?

(1120)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the point is that there are all kinds of stories about espionage. I know an expert on the subject, Claude Morin, who may be the Parti Quebecois—

Some hon. members: Oh, oh.

[English]

The Speaker: I would ask colleagues to please refrain from using props in the House. It becomes a little cumbersome as we go along.

* * *

[Translation]

GUN CONTROL

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister of Justice. Yesterday, in Ontario, seven people were the victims of violent crimes committed with firearms. One took place in a school and the other during a bank robbery. Such tragic events are a reminder of the urgent need to institute better control of firearms in Canada. An undertaking to this effect in the red book was reiterated by the Prime Minister at the Liberal Convention last May.

Why has the Minister of Justice still not tabled his gun control bill?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member is quite right in saying that the tragic and troubling events in Toronto yesterday merely serve to remind us of the importance and the urgency of this challenge. Far from holding back proposals in this regard, the Department of Justice is busy preparing them in detail.

I returned this week from a trip to Alberta and the Northwest Territories; before that to British Columbia and Yukon; before that to the maritimes and Quebec; and before that to Ontario and the central part of the country. Everywhere I have gone I have spoken with interested groups, putting together a package of proposals that will be introduced in the House in the near future which will deal not only with illegal firearms but also with the criminal penalties for the misuse of firearms, and which will add further sensible and needed regulation to the control of firearms in private ownership. That is our proposal.

[Translation]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, this government has been in power for a year now and for a year the smallest legislative measure seems to have become inexplicably complex. Everything is used as a pretext to justify the government's failure to act. This is an urgent matter. Seven people nearly lost their lives yesterday.

Will the Minister of Justice admit that the delays in tabling his bill are attributable to very strong opposition within the Liberal caucus?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I will admit no such thing. The Liberal caucus, like the country as a whole, wants to discuss every aspect of the issue to make sure we get it right.

There are varying points of view. We are not embarrassed by it; we are proud of it. It reflects the diverse nature of the population. In caucus, in cabinet, we will discuss every aspect of the issue and then we will bring forward proposals that are well thought out and for which we have prepared the country through the kind of consultation in which I am personally engaged.

* * *

HEALTH CARE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday the Prime Minister launched a \$12 million travelling medical show that will wander the country for four years. It will not report until after the next federal election. Its recommendations will gather dust on a shelf because the provin-

ces that have the constitutional responsibility in this area are not very much involved.

It is clear to us that the Prime Minister is using this forum to avoid addressing the problems of the health care system rather than addressing them.

I ask the Prime Minister: Is there not one concrete action that he can propose today to demonstrate his government's commitment to really reforming the health care system?

(1125)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we launched a forum yesterday and we invited experts from many fields to advise us on it. In discussions with them we said they have up to four years and that everyone serving on the commission should do it voluntarily. None of them will be paid.

I told them that I would like to receive reports as soon as they cover one element so that we can act. The health care system that we have in Canada is a very good system but it is getting very expensive. We want to make sure that we maintain universal free medicare for all Canadians.

We have to do that in consultation with the provinces. It is what the Minister of Health is doing. I wanted to have people who are not representing the self-interest groups within the system to look into that. That is exactly what they will be doing.

They will report every six months or so, whenever they are ready. They will make some concrete suggestions that will help us to maintain free medicare for all Canadians, not a good system for the rich and a bad one for the poor like the Reform Party would like to do.

We want one that will serve all Canadians, enabling them to have access to hospitals free because they are citizens of Canada.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, it is talk, talk, talk. There is no concrete action at all.

Then there is the finance minister who talks and talks and consults and consults and shows charts and charts. He admits that the additional spending cuts are urgently required but he continues to defer action.

I ask the finance minister: Is there not one major new spending reduction that he could put forward today to demonstrate to the Canadian people his seriousness about reducing the deficit?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I fail to understand the

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refusal of the Reform Party to understand why Canadians really do want to have some input into the budget making process.

I fail to understand why the leader of the opposition does not want to join into what is really a—

Mr. Chrétien (Saint-Maurice): He is not the opposition.

Mr. Martin (LaSalle—Émard): That is right. We could cut the opposition's research budget.

We are engaged in a unique experiment in Canadian economic history and that is opening up the budget process, getting rid of budget secrecy. Why is it that the Reform Party seems to think that only within its narrow executive is the repository of all good thinking? I do not understand.

We in the Liberal Party believe in the common sense of Canadians and we are going to tap into it.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, no concrete action.

Then there is the Solicitor General who has a lot of problems he could be fixing. CSIS and the Communications Security Establishment, two agencies that are virtually unaccountable, have been accused of basic violations of human rights.

When the Solicitor General is asked about these matters there is the standard routine: "This is a serious matter", blah, blah, blah. "We are investigating", blah, blah, blah. "I cannot comment any more", blah, blah, blah".

If his only response is that, he should not bother to get up, but can the Solicitor General tell us one concrete change that he has actually made to improve the accountability of CSIS and the Communications Security Establishment?

The Speaker: Usually when we start on a line of questioning, the supplementaries are in the same area. I am going to permit the question today, but I would ask all hon. members to please in their supplementaries try to tie them to the first question posed.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, first, the security centre responds not to me but to the Minister of National Defence. Second, with respect to CSIS I have ensured that the Security Intelligence Review Committee and the Inspector General as mandated by Parliament are in fact doing their work.

(1130)

In light of that answer I will leave the blah blah blah to the leader of the Reform Party.

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[Translation]

NATIONAL FORUM ON HEALTH

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister said yesterday in the opening speech of the Canadian Forum on Health, and I quote: "Unless we take a broad view of health, we will not succeed in reducing costs".

How can the Prime Minister make such a statement, when those with health-care planning expertise and responsibility, that is, the provinces, were not invited to participate fully in the discussions at the Forum on Health?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I find this very funny because it is a panel of experts. The provinces said that they wanted to be there. So the Minister of Health told them, "Fine. How many members do you want on the panel?" They said, "Five". So we said, "Fine".

They then decided that was not what they wanted; they wanted to co-chair with the Prime Minister. Unfortunately, there are not two Prime Ministers of Canada, there is only one.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice, Lib.): Yes, and he is there for a long time, too. No problem.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint-Maurice, Lib.): Then I thought that I should be a nice guy and that if a premier wanted to come or if they all wanted to attend these meetings, they would all be welcome. After arguing all summer about their attending the forum, despite very generous offers, they decided not to come. So we went right back to square one. But we listened to them and they understood in the end that these experts will make recommendations that will apply not only to us but also to them. It is their mandate.

Every day, decisions are made by health ministers, and the conference of federal and provincial health ministers will continue. Nothing has changed in that regard. We can work together but, to find a long-term solution, a review such as this one was needed. We in Canada cannot afford to lose our health insurance system because we did not take the time to plan for the future.

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, we recognize the Prime Minister's commendable efforts but since he claims that this is not a decision making forum and that the real decisions will be made at health ministers' conferences, why does he stubbornly insist on wasting \$12 million taken directly from the pockets of Canadian taxpayers?

[English]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the health forum is a very useful exercise. We have to look at the problem of health care in Canada. It is now costing about 10 per cent of the GDP, the highest after the United States. We have to look at the problem because if we do not we will be facing some very difficult choices.

We have asked some experts to look at the medium and long term problems of the national health care system. They are doing just that. I can guarantee that this forum is a very good investment to guarantee that eventually we will keep a health care system in Canada that is free. There will not be one for the rich and one for the poor, but a system that gives the same rights and opportunities and the same guarantees to all citizens of Canada.

* * *

THE ECONOMY

Mr. Herb Grubel (Capilano-Howe Sound, Ref.): Mr. Speaker, the habits of economics professors do not die easily. Recently I found myself giving the finance minister a passing grade; now I must give the Prime Minister a failing grade.

He obviously does not yet understand that smaller deficits lead to lower interest rates, more investment, higher productivity and therefore more permanent jobs in the private sector. Direct government job creation is obsolete.

Would the finance minister please share his good judgment on these matters with the Prime Minister and get him to tell Canadians about the win win benefits of spending cuts?

(1135)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development-Quebec, Lib.): Mr. Speaker, surely to heaven there are some questions, and not only language, that are unparliamentary.

The fact is that I am stunned and I am at a loss for words. I give up.

Some hon. members: Oh, oh.

The Speaker: Thank you, Mr. Minister of Finance. The hon. member for Capilano-Howe Sound.

Mr. Herb Grubel (Capilano-Howe Sound, Ref.): Mr. Speaker, I never expected that kind of a response, a speechless Minister of Finance.

This week a group of economists gathered in this building to present their views on the finance minister's budget initiative. A majority noted that the 3 per cent target in two years from now is not good enough. There is a high probability that by then the economy will enter the next recession. Deficits and the debt to

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GDP ratio will rise again, just like they did for other governments.

When will the finance minister take account of these concerns and issue a plan for time specific spending cuts that will eliminate the deficit during the present economic prosperity?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have made it very clear that we are prepared to deal with time specific spending cuts. In fact that is very clearly what we did in the last budget. It is the specific reason for the 3 per cent target.

In an initial conversation with the Prime Minister as to what tactic ought to be used it was pointed out to me—and I must say thank God I can now raise this—that where the Tories went wrong was in setting out medium term targets and not hitting them. It is absolutely important that government set out and hit short term targets and that is exactly what we are going to do.

* * *

[Translation]

INDIAN AFFAIRS

Mr. André Caron (Jonquière, BQ): Mr. Speaker, my question is for the Minister of Indian Affairs.

Today's newspapers report an agreement between the federal government and the Kahnawake Mohawks on the labour force training program. Under this agreement, the federal government would entrust the Mohawks with these responsibilities, for a more efficient allocation of these programs' financial resources.

Can the Minister of Indian Affairs tell us if the agreement in question provides for the transfer to the Mohawk community of all federal powers for employment and labour training programs?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, no, it does not. This is one of several agreements that have been negotiated over the last three or four years with various Indian bands across Canada whereby we simply transfer planning responsibility for human resources training programs that apply particularly to aboriginal people. The terms and conditions of those programs must be maintained. We do try to work out a partnership with the Indian bands so that they can have a real responsibility for determining what the priorities are.

It is very much within the spirit of the proposals we made in the green book on social reform that we want to establish a much broader range of co-operative arrangements and to decentralize many of the program responsibilities to various community

organizations, provinces and others. In that way there can be a much more grassroots level of development and decision making for the important training initiatives we sponsor.

[Translation]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, since the government seems to be finally realizing the obvious fact that manpower training programs are better administered by authorities who are more sensitive to people's real needs, can he tell us why these same principles were not followed by the federal government in answering the consensus in Quebec, which calls for Quebec to take back control of the whole labour field?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is. As the hon. member would know if he had read the green book, last June we tabled a series of propositions to all provinces that include substantial transfer of responsibilities to provincial governments.

(1140)

[Translation]

The federal government is proposing to the provinces that they take over the majority of labour market programs. There is \$500 million earmarked for Quebec for example, to manage the purchase of courses in training institutes—another \$140 million for Quebec—to manage and establish “one-stop” information centres and manage other manpower programs bringing in \$12 million to the province.

I hope, therefore, that the members from the Bloc Québécois will ask their partners in Quebec for a response to a new proposal, a new agreement. But at this time, there has been no response from the government of Quebec to this new proposal.

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[English]

ROYAL COMMISSION ON ABORIGINAL PEOPLES

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, the Royal Commission on Aboriginal Peoples set up four years ago is already substantially over budget and over deadline. Again it is extending its deadline. This \$58 million exercise has obviously lost focus.

Will the minister of Indian affairs instruct this commission to quit delaying and table its report immediately?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, we inherited two commissions when we took power. Because they are independent I think it would be inappropriate for the government to tell them to stop and give us their reports right now. We would be accused of

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leaning on the commissions. We are not prepared to do that vis-à-vis the royal commission on aboriginal rights.

I would prefer the report now. I need it now. The commission has decided it needs another year. My preference is now but I am stuck with the year and I will have to live with that. We did not implement the royal commission. If I had my druthers, I would have built the thousand houses that we could have built with the \$58 million, but that is what Mulroney did and that is what we have.

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, this exercise started out as a \$10 million or \$12 million exercise. The government has been taking excerpts from the royal commission's work and using these for policy statements, including the issue of inherent right to self-government.

Is the minister of Indian affairs the one who is really foot dragging on the release of this report because he has no better policy options to present?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, from this member that is a surprise question. Usually I am accused of going too fast and not foot dragging. I do not understand the substance of it, but we are prepared to deal with the issues as they arise and as soon as we get them.

* * *

[Translation]

CRIMINAL CODE

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, my question is for the Minister of Justice. Responding to a question recently put to her regarding acts of genital mutilation in Canada, the Deputy Prime Minister stated that the Minister of Justice would see to it that the present provisions of the Criminal Code that make the mutilation of children illegal are enforced.

Can the Minister of Justice confirm that, as we have been advised, no proceedings have been instituted thus far with respect to the practice of genital mutilation on the basis of the present provisions of the Criminal Code?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am unable to answer that factual question today. However I will be happy to inquire and let the hon. member know when I am certain of the facts.

Speaking to her point more generally I can say that in the spring when this matter was raised in the House I undertook to take several weeks to inform myself and respond to the suggestion that we need a separate provision in the Criminal Code to forbid this deplorable practice. I made those inquiries, including conversations with colleagues and other ministries that share

the responsibility, particularly with provincial and territorial attorneys general. After doing that I concluded and informed the House that the better view is there are provisions in the code at present which already make it clear that this is criminal conduct. I said at the time that what we need is not only vigilant enforcement of those Criminal Code provisions but also a program of information to educate immigrants and others that this is impermissible and will be prosecuted.

(1145)

We are continuing to monitor that. In fact, as recently as last week I asked to be briefed with respect to the present state of the practices in Canada with respect to education and enforcement.

I assure the hon. member, if I may conclude, and I will just take a moment to say it, that if the practice is continuing notwithstanding the efforts on education and enforcement of the present provisions, I do not rule out a separate section of the code if I believe it is necessary to bring this deplorable practice to an end.

[Translation]

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, I would have a supplementary question.

I thank the minister for his responses to my queries. However, he is merely repeating the answer he gave back on April 12, and I quote: "The focus of the federal government at this time should be on education in partnership with the provinces and community groups". He says he is monitoring, waiting, making inquiries. These are all fine words.

However, what I would like to know is: when does the minister plan to act on this issue, to take positive steps and, above all, to table a plan of action in this respect? In spite of the fact that the minister has to collect all this information, action is required immediately and urgently, and we need to know what his immediate plans are in this area, notwithstanding the inquiries and analyses.

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, may I first emphasize that I share the hon. member's concern and sense of urgency, but I want to emphasize that it is not a situation in which nothing is being done.

The issue gained prominence in the spring primarily by virtue of the report by Dr. Glenda Simms and the national committee which she chairs. When I inquired about it, I found that the provincial attorneys general in the provinces where this practice is an issue are hard at work with task forces, with police and enforcement efforts and they continue.

The advice I received from those active in the field was that a Criminal Code amendment was not the answer. What is needed

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is to get into the communities, spread the word, gather evidence and prosecute when it is appropriate.

One of the problems is getting people to come forward to testify. That is one of the problems. I do not think a change in the Criminal Code will get at that.

* * *

NUCLEAR TESTING

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is about nuclear tests and is for the Prime Minister who I wish well on his trip to China.

Since 1964 Britain has carried out 44 nuclear tests, France 210, and the United States over 1,000. Two weeks ago China carried out its 41st test.

Would the Prime Minister on his visit to Beijing raise with the Chinese authorities the need to set a good example to the world community and bring to an end testing for the sake of planetary security?

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, I thank the hon. member for his question.

Canada deplores the underground nuclear test that was recently carried out in China. The Chinese ambassador in Ottawa was called in and made aware of Canada's concerns.

The Prime Minister's visit will provide an opportunity to directly register our concern about nuclear tests at the highest levels in the Chinese government. Canada hopes that China will shoulder its share of the burdens and responsibilities held by all nuclear weapons states toward the early conclusion of a comprehensive test ban treaty.

* * *

BOSNIA

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, a disturbing trend is developing that threatens the lives of Canadian peacekeepers in Bosnia. In the past six months Canadian troops in central Bosnia have faced confirmed attacks from the Bosnian army on 13 occasions. Most recently Warrant Officer Tom Martineau from my riding required five hours of surgery after being shot.

My question is intended for the Minister of Foreign Affairs. When will the minister obtain an explanation for these attacks from the Bosnian government and what action will he take to ensure the safety of Canadian soldiers in Bosnia?

(1150)

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we do not underestimate the dangers that our troops face in that theatre of conflict. We were fully cognizant of it before we renegotiated the mandate for the next six months. In fact

members of the House had an opportunity to express their concerns.

We believe that a real peace effort is possible in the former Yugoslavian republic of Bosnia-Herzegovina. For that reason we have deployed our troops for the further six-month period.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, that is not an acceptable answer to this question. We have repeatedly faced attacks from the army of the people we are trying to protect. That is not an acceptable situation.

In the period since 1991 we have provided \$50 million in aid to the former Yugoslavia. Would the government agree that if these attacks do not stop we should make any further aid contributions contingent on an end to this kind of action from the Bosnia government?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we regret the injuries and indeed the deaths of any of our Canadian soldiers. The incident to which the hon. member refers was a particularly nasty one.

It is not the government's policy nor that of the armed forces of Canada to pick sides in this conflict. We are there under the auspices of the United Nations to help with humanitarian aid to give the peace process a real chance. It is easy to assume that one particular side is guilty of an attack or another. Quite frankly sometimes we are not sure whom to believe in these cases.

It is better for us to concentrate our efforts to try to protect our soldiers the best way possible, and where we do know that an attack has come from one side or another, make a protest through the United Nations.

* * *

[Translation]

IRVING WHALE

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of the Environment. In answer to a question from the Bloc Quebecois concerning the costs related to the *Irving Whale*, the minister said that the money would come from the compensation fund set up by oil companies. However, we were told by the Parliament's Research Branch that there is absolutely no money left in that fund.

Can the minister confirm that the compensation fund is indeed empty and, if so, what alternative is she considering to finance the operations which will get underway to settle this issue?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, what I said to this House is that the money will come from Ship-source Oil Pollution Fund. The money will first come from our government. This is precisely the financing arrangement which I tabled in this House seven months ago, and I thank the hon. member for raising this issue. I am pleased to see that she is finally accepting the policy put forward by this government, conside-

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ring that this is an emergency and that we must be prepared to pay. Indeed, this issue concerns the environment and ecosystem of all the residents of the Magdalen Islands and Atlantic Canada.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, will the minister agree that Irving is the primary responsible for this accident and that this corporation, not Canadian taxpayers, must pay for the costs involved?

[English]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the reality is that when the *Irving Whale* sunk 24 years ago, as was the practice at the time, the sunken barge was immediately signed over to become the property of the Government of Canada.

For 24 years ministers of the crown, including her current boss, did not have the guts to raise the *Irving Whale* and after—

Some hon. members: Oh, oh.

The Speaker: I am sure no one's courage is under question.

Ms. Copps: Mr. Speaker, they had neither the interest nor the political will even to reply to the letters from the people from the Magdalen Islands.

In three months we put together a package of financing that will see the *Irving Whale* raised next spring. Rather than criticizing us the member opposite should be applauding the initiative of a government that moved within three months.

* * *

FINANCIAL INSTITUTIONS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, my question is for the Secretary of State for Financial Institutions.

(1155)

Following the recent hearings into the demise of Confederation Life by the Senate banking committee, is the government prepared to make recommendations or bring forward legislation similar to that discussed in the presentations made by John Palmer who is the superintendent of financial institutions?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, there will be a paper released later this year regarding the deposit insurance system and the earlier intervention in financial institutions.

We are awaiting the Senate report that will be coming out in a short time. The senators have taken considerable time and considerable interest in this subject. We are certainly going to

await their report and read it with considerable interest before putting forward a paper.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I would remind the secretary of state that Canadians need to know that the Liberals will actually implement the proposals of John Palmer.

More specifically, will the government support John Palmer's proposal for separation of the chair of the board of directors and the chief executive officer in order to help eliminate conflict of interest and, if so, when?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, as I said, we will be considering the whole report of the Senate committee. We will be considering all the matters that were discussed, including Mr. Palmer's suggestions, and we will bring forward a paper later this year on the subject. We hope that legislation will follow shortly thereafter.

* * *

CHEMICAL WEAPONS

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

In January 1993 Canada and over 100 countries signed an historic treaty to ban the production, stockpiling and use of all chemical weapons. Unfortunately after nearly two years only 14 countries have ratified this treaty, when 65 ratifications are required to make it enforceable.

Would the minister say when Canada will introduce ratification legislation and what Canada is doing to support the enforcement agency to be set up in the Hague?

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, I would like to thank my colleague for raising this important item.

At the present moment an interdepartmental and industry consultation process is taking place. We expect that at the beginning of the year a required bill will be presented to the House of Commons for debate.

In the meantime, the Hague is putting in place a provisional technical secretariat before the ratification of the convention. Canada has submitted names to that. When the convention is ratified we will again present names to the organization in order to take our proper role in making sure that the convention is complied with.

* * *

[Translation]

FERRIES

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, my question is for the Minister of Transport. Yesterday, the

Minister of Transport stated with respect to the safety hazards encountered by Canadian ferries of the same type as the *Estonia* that he would meet with the president of Marine Atlantic to make sure necessary action was being taken to improve safety. Can the minister tell us what exactly he intends to do to remedy the problem and make these ferries safer?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I thank my hon. colleague for his question because, as we all know, the safety of ferries is matter of a concern for the people of Canada.

The president of Marine Atlantic advised us yesterday that he would make a joint public statement with the Canadian Coast guard to reassure Canadians, especially as winter approaches, with its more severe conditions. This statement is expected to be made today.

* * *

[English]

ROYAL CANADIAN MOUNTED POLICE

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, recently I asked the Solicitor General about the redeployment of RCMP resources to help combat the growing drug problem in Nanaimo. The mayor of Nanaimo, the head of the RCMP in B.C. and others have confirmed the need.

Now we discover that while Nanaimo goes lacking because of tight resources, 100 RCMP officers are being sent to Haiti. If we can send police to Haiti, why not to Nanaimo?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the need for further drug investigators in Nanaimo is being reviewed by Deputy Commissioner Farrell, the head of the RCMP in British Columbia. I am advised that it is expected that he will be able to find additional resources to respond to the hon. member's concern. It is a concern that I share.

(1200)

I repeat, I am informed that it is likely it will be possible very soon to have the additional resources placed in Nanaimo.

* * *

SOCIAL SECURITY REFORM

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

The release of the green book on social security reform has triggered much debate among Canadians. In my riding of Saskatoon—Humboldt university students are particularly interested in participating in this national review. They and members of the House would like to know what the minister has

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heard from other Canadians on this discussion paper as he has been travelling the country in the last 10 days?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as a very specific answer, in the last day and a half I met with all the student leaders from the colleges and institutions in Alberta, Saskatchewan and Manitoba to discuss in particular the issues of how we can help refinance higher education, put more money back into the system and give students much broader support for the continuation of their education.

The response of the students as well as of most Canadians is to engage in a very active debate. Canadians really are ready for a change. They recognize the status quo does not really exist and that we have to reform structures. I would encourage all members of the House to engage in the same kind of dialogue we have started. I think they will find it a very creative, very exciting exercise.

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 that have been 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.

* * *

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

CO-OPERATIVES

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, today in my capacity as federal minister responsible for co-operatives, I wish to recognize National Co-op Week in Canada and to pay tribute to these unique, democratic institutions and organizations that play such a significant role in the socioeconomic fabric of Canada.

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Furthermore October 20 is recognized worldwide as International Credit Union Day.

[English]

The Prime Minister in his co-op week message mentioned that co-operatives strengthen the community and the country as a whole. This is nowhere more true than in the 900 communities in which credit unions or caisses populaires are the only financial institutions providing service. In northern Canada, after government institutions, co-operatives are the largest employers.

On the national scene, roughly 40 per cent of Canadians are co-op members. In the province of Quebec as in my own province of Saskatchewan some two-thirds of the population belong to a co-operative of one form or another. All together the 10,000 Canadian co-ops provide employment for 133,000 Canadians and represent total assets of \$134 billion.

This year is of particular significance to co-operatives around the world because it represents the 150th anniversary of the formation of the first consumer's co-op in Rochdale, England.

As Minister of Agriculture and Agri-food, I recognize the important role that co-ops play in the agri-food industry. It has been estimated that co-operatives account for 48 per cent of the market share for poultry, 60 per cent of the market share for milk, and 70 per cent for grains.

(1205)

[Translation]

To conclude, I want to congratulate the Canadian co-operative movement on its achievements and I urge this House to pay tribute to co-operative organizations during National Credit Union Week.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, it is a great pleasure for me to speak on National Co-op Week.

As an anecdote, I could mention that all primary schools in Quebec have a school savings bank and I remember that one of the first things I did as an organizer was to look after the savings bank in our school. For that reason, I am especially pleased to speak on this statement.

As the Minister of Agriculture and Agri-Food, who seems to have held a similar position, said, the importance of co-operatives throughout Canada is evident. In view of the size of the co-op movement in Quebec's economy and the place it has held in Quebecers' recent history, let me point out the work this movement does and its special contribution to our society.

Co-ops played and still play a vital role in Quebec's economic development. Voluntary membership, democratic organization,

training of members, redistribution of surpluses in the community and limits on return on capital are all principles that square with Quebecers' thinking and explain the development of this movement in Quebec. Furthermore, co-ops are part of the lives of Quebecers from primary school until they die—there are even funeral co-operatives.

Whether we talk about financial, farm, housing, consumer, labour or any other kind of co-op, the co-operative movement is healthy and continues to grow in Quebec. Moreover, a new generation of co-op members is assured with the rise of co-ops in the student community through "interco-operation", twinning co-ops from different fields of activity; the Société de développement coopératif in particular promotes this.

The Desjardins movement is, of course, the pride of Quebec's co-op community. Stretching across Canada and involved in international co-operation projects in many other countries, the Desjardins group manages total assets estimated at over \$75 billion. Quebec's co-op movement comprises over 3,300 co-ops with more than 5.9 million members and in excess of 60,000 employees. A major success story.

The vigour of the co-op movement in Quebec is due to the strong feeling of solidarity among Quebecers. We have always stuck together to ensure our own growth, often under difficult conditions. This solidarity will soon bring Quebecers to sovereignty, which must be based on economic sovereignty. The Desjardins movement, among others, has played a significant role in this by giving us confidence in one another.

In closing, I wish to thank and congratulate all co-operators in Quebec and Canada for their volunteer work, without which the co-op movement would not be what it is today.

[English]

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, it is my honour to rise on behalf of the Reform Party to recognize and pay tribute to the co-operative movement in Canada.

I take this opportunity to congratulate and compliment the pioneers in the co-operative movement for having the vision and the dedication to fashion their dreams into reality.

The co-operative and credit union movement has had a very positive effect on this nation. Co-Op Vegetable Oils Limited of Altona, Manitoba, is one of the many examples of where a co-op has been a leader in its field. Not only did it help develop a vegetable cooking oil but it was also instrumental in encouraging and developing trade between the United States and Canada.

Co-ops and credit unions must be congratulated for being present to help communities develop and improve themselves. They must also be recognized as a player in our economy that

provided competition and has given people another choice, something that makes a democracy work very well.

It is with gratitude that on behalf of the Reform Party I acknowledge the accomplishments of co-ops and credit unions. We wish them well in future endeavours and encourage them to continue their innovative example of leadership.

* * *

(1210)

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present to the House the 41st report of the Standing Committee on Procedure and House Affairs regarding the membership of committees.

With leave of the House, I intend to move for concurrence in this report later this day.

[English]

AGRICULTURE AND AGRI-FOOD

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Agriculture and Agri-Food which deals with Bill C-50, an act to amend the Canadian Wheat Board Act. Bill C-50 as reported with amendments.

PROCEDURES AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you will find unanimous consent to dispense with the reading of the 41st report of the Standing Committee on Procedures and House Affairs.

If so, I move that the 41st report of the Standing Committee on Procedures and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

* * *

PETITIONS

HUMAN RIGHTS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present five petitions today on behalf of individuals all across Canada, including from my riding of Wild Rose and other areas of Alberta.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of

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homosexuality, including amending the human rights code to include in the prohibitive grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, my next petition contains the same signatures from across Canada asking to prohibit assisted suicide.

ABORTION

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, the last petition, is asking to extend the protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

I respectfully submit these petitions on behalf of these signatories.

* * *

[Translation]

TAXATION

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I have the pleasure of submitting a petition signed by 122 residents from the riding of Verchères and the surrounding area, particularly the municipalities of Saint-Amable and Saint-Antoine-sur-Richelieu.

The petitioners feel that, by abolishing the universality of the tax credit for seniors, the government unfairly targeted pensioners' income. They also feel that this measure is basically discriminatory from a tax point of view, since it affects people who have already made a significant contribution to the Canadian economy and will keep them from improving their standard of living over the next few years.

Consequently, the 122 petitioners urge Parliament to oppose any measure which would have the effect of reducing the income of retired people. Needless to say that I share the views of these petitioners and that I strongly support their representations.

[English]

PORT OF CHURCHILL

Mr. Elijah Harper (Churchill, Lib.): Mr. Speaker, on behalf of the Hudson Bay Route Association, I would like to present petitions containing 2,626 signatures.

(1215)

The petitioners call on the minister responsible for the wheat board to maximize grain shipments through the port of Churchill and to ship at least 5 per cent of Canada's annual grain shipments through Churchill.

I agree with these petitioners. The port of Churchill is a valuable but underutilized resource. It is the most direct route from the prairies to salt water. We have to overcome the ignorance about this northern port so it can live up to its potential.

Government Orders

YOUNG OFFENDERS ACT

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to table a petition on behalf of my constituents asking Parliament to revise the Young Offenders Act.

* * *

[Translation]

QUESTION ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 75 will be answered today.

[Text]

Question No. 75—**Mr. Godin:**

To what do the \$3.2 million in budget cuts at the Department of Veterans Affairs, announced in the 1994–95 Estimates, apply?

Hon. Lawrence MacAulay (Secretary of State (Veterans, Lib.)): This \$3.2 million reduction was allocated to the operating budgets of all areas of Veterans Affairs except Ste-Anne's Hospital and Saskatoon Veterans Home.

[Translation]

The Deputy Speaker: The question referred to by the hon. parliamentary secretary has been answered.

Mr. Milliken: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

The Deputy Speaker: I wish to inform the House that, because of the ministerial statement, Government Orders will be extended by seven minutes, pursuant to Standing Order 33(2).

GOVERNMENT ORDERS

[English]

YUKON SURFACE RIGHTS BOARD ACT

The House resumed consideration of the motion that Bill C-55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon territory and to amend other acts in relation thereto, be read the second time and referred to a committee.

The Deputy Speaker: The hon. member for North Island—Powell River has 30 minutes left if he wishes to use them.

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, I will resume from where I was interrupted.

In addition to the \$8.3 billion that I was speaking about there are another 460 specific native claims and lawsuits that currently have no dollar figure and do not form part of the known liabilities. Frankly no one knows what the total amount may be. That is the frightening part.

If the Minister of Finance is that concerned with the fiscal situation he might want to start a review of the policy and settlement mandate the Minister of Indian Affairs and Northern Development currently employs. It is an untenable situation warranting immediate action.

The Reform Party during debate of Bills C-33 and C-34 cautioned the Minister of Indian Affairs and Northern Development about setting these kinds of precedents for claims from a land mass perspective as well as the compensatory side and in terms of ongoing commitments. Our concerns were dismissed and it has come home to roost.

We could sit here and argue about the settlement of outstanding land claims, but there is no argument. The Reform Party supports an early and mutually satisfactory conclusion of outstanding land claim negotiations. Our argument and our opposition is because of a lack of any recognition of the cost of concluding these deals. The federal negotiators are exhibiting a blank cheque mentality. This is not only wrong; it is irresponsible. Here we are being asked to endorse this mentality.

We have heard today how the minister does not think he can order the royal commission to table its report on aboriginal peoples. The government has written additional cheques to keep this royal commission alive. Surely those who write the cheques have as strong a mandate as those on the royal commission who want to keep it alive.

Bill C-55 gives impetus to Bills C-33 and C-34, including the area of financial compensation. As well, Bill C-55 will create a process to resolve disputes between parties guaranteeing rights of access to private lands. It will also create the Yukon surface rights board which will implement the process of dispute resolution and allow orders of the board to be enforceable in court. Bill C-55 will also confirm that the legal rights of minors are unchanged.

(1220)

I recognize that the bill is the normal progression of what was introduced and debated last spring. While House procedure and standing orders preclude me from raising the contents of Bills C-33 and C-34, it does not disallow me from reinforcing Reform Party opposition and concern over the manner in which we conclude agreements of this magnitude. It is too bad the

Government Orders

government did not choose to consult as extensively on Bills C-33 and C-34 as it appears to have done in this enabling legislation contained in Bill C-55.

Business, particularly the very important mining sector in Yukon, was not given the same opportunity to participate in the deliberations leading up to the introduction of the Yukon final land claim. While drafts of Bill C-55 were circulated to the mining community and groups representing them, at no time was the same courtesy extended on Bills C-33 and C-34.

I have had individuals in Yukon tell me they were caught unaware of the previous provisions of the federal government Council of Yukon Indians agreement that they are paid to know about until it was signed.

In view of some of those preliminary comments it behoves me to turn to some concerns the Reform Party has with Bill C-55. Let me assure the House that my party's contribution to the debate will not be obstructionist. However I would be remiss if I did not offer some constructive criticism of some clauses of Bill C-55 and my colleagues will add other comments.

Part I of the bill establishes a process to resolve disputes between parties concerning surface rights and access to subsurface rights. More specifically clause 8 establishes a board to be called the Yukon surface rights board consisting of a chairperson and not less than two or more than ten other members to be appointed by the Minister of Indian Affairs and Northern Development. Half the members other than the chairperson should be appointed on the nomination of the Council of Yukon Indians.

Part I is really the essence of the bill. Part I and the manner and type of appointments that are made will make or break the credibility of the board and hence the bill. The minister has enormous power in the appointment of members. While five members are to be nominated as potential candidates to the board by the Council of Yukon Indians the minister is omnipotent. With this power can come the tendency to politicize the board.

The greatest fear industry has in Yukon is that the minister will be tempted to place some good old Liberals on the board to ensure things go the right way or his way. I implore the minister to exercise a non-partisan approach in his decision making on board appointments.

I have some concerns that I expressed earlier in the House. I give the example of Michel Robert who was the Liberal appointed this spring with a non-tendered \$249,000 contract to negotiate at Oka for the Minister of Indian Affairs and Northern Development. Mr. Robert is also the appointee to SIRC, the so-called watchdog for CSIS.

(1225)

The board will decide which dispute can be brought before it only after the parties attempt to resolve the issues themselves. It

is contingent on the success of this clause that board members exercise good judgment and possess a real sense of responsibility.

Otherwise we could have obvious favouritism on spurious or vexatious issues brought before the board that will consume not only valuable time but valuable resources in the form of per diems that will be paid board members, in the case of the chairperson \$300 per day and \$250 per day for members.

This could become costly if we have board members or a chair who is looking for something to do. In short, the board cannot become a hotbed for patronage appointments. Before we know it we could have Joe Clark appointed to another chairmanship.

At our departmental briefing, Reform Party MPs were told that no staff shall be appointed to the board. Clause 19 of Bill C-55 clearly allows the board to employ such officers and employees and engage the services of such agents, advisers, and consultants as are necessary for the proper conduct of its business and may fix the terms and conditions of their employment or engagement and pay their remuneration.

What we were told in our briefing runs contrary to not only clause 19 from which I just quoted but also clauses 20 and 21 which grab further latitude for the board to acquire personal property in the name of the board and enter into contracts in the name of the board. Just what is the budget allotted to the board beyond per diems for members and why were we given misinformation in our briefing?

The board will be empowered to set the amount of compensation for expropriation of settlement lands and the amount of compensation for pockets of government land retained within settlement lands.

The board's orders will be final and binding, enforceable through the Supreme Court of the Yukon territory. This is awesome power beyond reproach and I can only hope we know what we are doing and start right by appointing on merit not politics.

Part II of the bill deals with rights of access on settlement lands. The terms and conditions for the board's operation are clear in this area. The mining industry in Yukon appears confident that part II is drafted in such a way as to avoid interpretive problems. However, part III, mineral rights disputes on non-settlement lands, is ill-defined and therefore troublesome. The jurisdiction and powers are ambiguous in clauses 65 and 66 which constitute part III. What is of major concern with these clauses is that 50 per cent of the board be designated by the Council of Yukon Indians as specified in part I.

Therefore what we have is a 50 per cent aboriginally designated commission having jurisdiction in matters related to non-settlement lands. I can foresee the possibility of nothing but turf wars as a result and a counterproductive exercise based on race and cultural interpretation. Perhaps it is not wise to have the majority Yukon residency requirement on the board and the

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50 per cent nominations list from the Council of Yukon Indians. Perhaps we are creating unnecessary racial strife.

(1230)

At the outset of my remarks I said that Bill C-55 may confirm the principles contained in Bills C-33 and C-34 and put them into effect. However in no way does it end dispute or in itself resolve conflicts that may arise.

Bill C-55 may conclude the land claims process but it opens a new vista with many new problems requiring many new solutions. I realize the veil of uncertainty that has stifled investment in Yukon must be removed. Industry in Yukon has expressed a desire to put this issue and uncertainty behind it. The Reform Party appreciates this need for clarification and stability in land claims. Now at least industry in Yukon knows the rules but that does not say it or the Reform Party has to like those rules.

The Reform Party is on the record as supporting the early and mutually satisfactory conclusion of outstanding land claims. In the Reform Party's opposition to the process of establishing the land claim settlement as contained in Bills C-33 and C-34, we feel we articulated our vision and pointed out the deficiencies in the legislation.

In good conscience we cannot support holus-bolus all facets of Bill C-55, particularly the jurisdiction of the board on non-settlement lands. We will not impede economic development in Yukon and the enunciation of the rules that will dictate this development.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

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

[English]

I am happy to rise to address the issue of Bill C-55, the Yukon Surface Rights Board Act. I must say I was going to oblige the member for Capilano—Howe Sound by wearing my Bermuda shorts and dark glasses, however the dress code of this House does not permit me to do so in talking to the bill.

I do have a comment to make on the speech of the member for North Island—Powell River. He mentioned the participation of the Yukon Indians as being over 50 per cent on the board and talked about some racial problems that might arise. This seems like a judgment even before the board is off and running. There is no confidence in the Council for Yukon Indians being able to make up its mind and determine who is going to be on the board and what kind of board it is going to be. If we had a little more trust in our aboriginal organizations, this country would be a lot better off.

I want to join the Minister of Indian Affairs and Northern Development in urging support for this legislation. I believe the House has an obligation to move as quickly as possible on Bill C-55 so that residents of Yukon can begin to benefit from the certainty and the confidence that land claims settlement will bring to the territory.

After more than 21 years of negotiations, we finally reached a framework agreement to settle the land claims of the 14 Yukon First Nations. The establishment of a new surface rights regime which will be accomplished through Bill C-55 is the next critical step in implementing the agreement.

This is a pivotal day for Yukon. Yukon residents expect us to proceed responsibly and without further delay. They want us to address our moral and legal obligations to the First Nations people.

(1235)

As the minister has stated we have already adopted legislation to put in place a territory wide framework for First Nations land claims settlement agreements and to implement self-government for the Yukon First Nations. We have before us today the final piece of legislation that will allow the finalization of these acts.

Bill C-55 is significantly different from the two acts we approved before the summer recess. The bill deals with very specific matters and is extremely technical. I can assure members that Bill C-55 has been drafted with the interests of all Yukoners in mind. It is fully in keeping with the Government of Canada's obligation under the umbrella final agreement negotiated by governments and Yukon First Nations.

Bill C-55 provides for the establishment of the Yukon surface rights board and a new surface rights regime that reflects the changing realities of land ownership in Yukon. I know some hon. members on the other side of the House have been expressing concern about the role and the powers of the board.

The role of the Yukon surface rights board is straight forward. It will deal with disputes relating to land access, use and compensation throughout the territory. However the board's services will be called upon only when direct negotiations between the affected parties have failed. There will be more certainty for everyone in Yukon when the bill is enacted and we begin to implement First Nations final agreements.

Bill C-55 will put in place a new regime for obtaining access to private and public lands that will put it on a level playing field with other Canadian jurisdictions. It provides for clear rules and regulations.

This is not a scheme that has been pulled out of a hat. This approach to dispute resolution has been applied elsewhere in Canada and is working well. In fact the Yukon surface rights board has been modelled on similar boards that are currently operating in Alberta, Saskatchewan, B.C. and Manitoba. The

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provincial boards were established to address disputes between surface owners who were generally farmers and subsurface developers such as oil and mining firms.

In Yukon we anticipate that when disputes do arise they will primarily involve mining companies that hold mineral rights on non-settlement lands where others have surface rights or interest on land owned by First Nations, similar to the situations in Alberta and Saskatchewan. The same basic principles of reasonable access, responsible use and fair compensation can and will apply to resolving disputes in Yukon.

Once the Yukon surface rights board is formed the government intends to take its members to Alberta, Saskatchewan, British Columbia and Manitoba where they will observe the provincial boards in action. The government may also invite a senior official from the provincial boards to Yukon to provide training or other assistance.

As the minister has noted this is a cost effective alternative to using the courts to resolve disputes. It will encourage mining and petroleum companies as well as governments to work in partnership with First Nations and other land users so that all parties can benefit.

The board will not even hear a dispute unless it is convinced that a serious effort has been made by the parties to come to an agreement. In addition to reducing costs for all parties, the provincial boards have enabled quicker resolution of disputes than would be possible through the courts. This in turn has helped prevent lengthy and costly delays in resource development.

I think the minister would agree that the Government of Canada, Yukon First Nations, the mining and petroleum industries and the territorial government would be happy if the surface rights board never met, in other words if there never were any disputes to resolve. However this is not a utopian world and we cannot sit back and hope that everything will work itself out. We cannot expect that there will never be a disagreement between two parties, both of whom may have reasonable and legitimate concerns.

In the interests of good public government we must be prepared to deal with issues as they arise. This is why it is important to proceed now to create a surface rights dispute resolution mechanism in the Yukon.

I am extremely confident the surface rights board that will be put into place by Bill C-55 will be an effective institution of public government. It will operate in a fair and responsible manner to ensure that economic development proceeds in Yukon in accordance with the letter and the spirit of the umbrella final agreement. It will also protect existing rights including mineral rights of third parties in the settlement area.

(1240)

Let me remind hon. members that Yukon First Nations have never resisted development. Rather, they have said only that they want a voice in how resource development will proceed. As land owners they will have that voice. Guaranteeing 50 per cent of the board's members will be nominated by First Nations ensures that First Nations and other Yukoners will have input into the important decisions that need to be made.

In addition, third party rights or interests on non-settlement lands are recognized in the bill and the umbrella final agreement. The need for this board was clearly identified in the umbrella final agreement. It simply replaces the government officials or courts now identified in the mining legislation as the dispute resolution body.

Let me assure the House that the Yukon surface rights board will be created in a manner that is financially responsible as well as responsive to the needs of the people of Yukon and Canada. Obviously costs are involved in setting up new institutions of government, but through careful planning and management these costs can be controlled. The Yukon surface rights board will be kept as small as possible. Staffing will be kept to a minimum and proceedings will be expeditious.

Bill C-55 will achieve some very specific goals, but it is important for the House to consider the broader implications of this proposed legislation. Most fundamentally we must understand that without Bill C-55 the settlement of land claims in Yukon cannot be concluded.

Once again our efforts to address the rightful claims of Yukon First Nations will be stalled. Another generation of Yukon Indians will face the prospect of starting anew to negotiate an agreement that all parties have already accepted. Vital economic development opportunities will be lost. We cannot and must not allow that to happen. The Government of Canada made certain commitments in the umbrella final agreement in 1993, including the commitment to create a surface rights board and we must live up to those obligations.

I would like to remind my hon. colleagues of the debate that took place in the House some four months ago. That debate determined conclusively that the umbrella final agreement is a solid agreement that will benefit all residents of Yukon. By providing a secure land base, settlement agreements will empower Yukon First Nations to build a better future. The territorial government and all Yukoners will benefit from increased economic activity and from the strengthened political development of the territory.

In addition to confirming ownership of vast areas of land, Yukon First Nations will be entitled to significant financial compensation. This compensation package is essential to the future prosperity of Yukon First Nations. It will give them the financial resources to create jobs within their communities, to

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deliver social services and to generally establish a better standard of living for Yukon Indians. These achievements will benefit all Yukoners and all Canadians.

All of us can appreciate that much more is at stake here than a new surface rights regime. At stake here is the economic growth of Yukon as well as its political and administrative development. Also at stake is the spirit of partnership, trust and mutual accomplishment that government is working hard to establish with First Nations in Yukon and elsewhere. The very future of Yukon First Nations is at stake. They have already waited far too long to have their voices heard and their concerns addressed.

With that in mind, I urge hon. members to look beyond the legal and technical complexities of the bill, as important as they are. I urge them to embrace a broader viewpoint to acknowledge that the Yukon surface rights board is vital to the land claims settlement process. I remind them that land claims settlements are something all Yukon residents and Canadians want and expect us to achieve.

This is the time to move forward to lay the foundation for a better future for all people in Yukon. Toward that end I urge my hon. colleagues to join me in supporting Bill C-55 so that it can proceed as quickly as possible to the other place. This is the only responsible course of action to ensure that implementation of the Yukon First Nations final and self-government agreements can proceed without further delay.

(1245)

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, in the opening comments by the member who just spoke there were some statements regarding the Reform's concerns about the ability of the Council of Yukon Indians to designate its representatives to this board.

On the contrary, we have no concerns about its ability to designate representatives. Our concern, as expressed in my speech, related to and focused on the minister's ability to make this into a hot bed of patronage and to set up a divisiveness and other turf wars that are of major concern to us.

I wanted to set the record straight on that and ensure there was nothing on the record that would indicate we agreed in any way with those statements.

Mr. Anawak: Mr. Speaker, I heard quite clearly the hon. member saying that because of the 50 per cent participation of the Council for Yukon Indians on the surface rights bill there might be a place for some leaning in a racial way. That is why I made those comments. To me that was undermining the council's ability to look at problems it might encounter through the surface rights bill in looking after the interests of all Yukoners.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I listened to the member's speech and the answer to my colleague's question.

We are after the 10 best people from Yukon to address these matters. It is in no way to be implied that it is a racial question that we are bringing up here. I would like the hon. member on the other side to understand that.

Mr. Anawak: Mr. Speaker, I suspect if we look at the blues there will be comments in there that clearly state the word racial. That is why I made the comment that this was uncalled for.

Yes, we are looking for the 10 best people or the best people the Council of Yukon Indians can offer to settle its disputes. I would be honoured if all members of the surface rights board were Indians from the Yukon area. They probably could do a better job than anybody else in the country in settling disputes that will arise.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, it gives me no pleasure to rise in the House today to oppose Bill C-55.

The bill is the handmaiden of Bills C-33 and C-34, two pieces of legislation debated before the summer recess and passed despite the serious objections of many well-informed Canadians, including the opposition of the Reform caucus.

I am told that Bills C-33 and C-34 cannot take effect until we pass Bill C-55. I would like to be able to support all three pieces of legislation because I support the progress of native Canadians toward taking full responsibility for themselves and for their future. Unfortunately a number of concerns with this bill prevent my supporting it.

However, I wish to mention some positive aspects. First, given transportation problems in the north for so much of the year, I applaud the bill's provision that board members can attend their meetings by telephone.

Second, I was also pleased to see that this board can only intervene on matters brought to it by others and cannot just insert itself willy-nilly into negotiations which the parties are settling on their own.

Third, because delay of rulings can cause real hardship, especially due to the very short work seasons for mineral exploration and development north of 60, I was especially pleased to read section 27 which states:

An application before the board shall be dealt with as informally and expeditiously as the circumstances and considerations of fairness permit.

(1250)

Fourth, faced with the probable administration nightmare generated by Bills C-33 and C-34, at least the Department of Indian Affairs and Northern Development consulted widely and publicly among the many affected groups and general public of Yukon as to how the expected conflicts of interest ought best to be resolved through new legislation in Bill C-55.

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It is my understanding that 16 months ago some 11 interest groups were sent draft copies of the proposed legislation including the Yukon Chamber of Mines, the Klondike Placer Miners Association, the Canadian Association of Petroleum Producers and two groups representing Yukon trappers and outfitters. Coupled with advertising in area newspapers, the government apparently has made a sincere effort to bring all parties immediately concerned into the discussions, a praiseworthy method of proceeding.

However, I also believe it is my responsibility in opposition to point out the shortcomings of these pieces of legislation and my firm belief that no native group should be granted self-government rights greater than those of municipal type governments. The very amount of land to be covered by Bill C-55 together with certain riches of natural resources involved makes the subject far too large for municipal type administration

It is my hope that the Department of Indian Affairs and Northern Development will listen and improve the process of dealing with what will be among the most long lasting and consequential actions of Canadian federal government for all time. I say for all time because these land claim settlements and dispute settling mechanisms will no doubt set precedent for the entire process of settling native land claims still outstanding, especially in the province of British Columbia.

In addition, they obligate Canadian taxpayers far into the future. This latest piece of legislation, Bill C-55, if we include all the lists and guides needed to find particular topics, requires some 64 pages to sort out the mess created when the government decided to hand over jurisdiction for many thousands of square miles of Yukon territory to be administered by the so-called First Nations.

I have great admiration as well as sympathy for Canada's native peoples. Moreover, as our native people demonstrated the readiness to take over the running of their own affairs, I strongly support dismantling the Department of Indian Affairs and Northern Development and handing those rights over to the natives themselves.

Because I believe in full equity among all Canadians with special status for none, I also believe we must take great care to ensure that Canada does not create by this kind of legislation the very sorts of racial homelands and racial biases for different treatment of our people, which the government and people of South Africa have been struggling for generations to root out of their country.

Therefore, I also believe that any further federal responsibility that in any way differs from the way the federal government deals with each and every other Canadian should also stop, cease and desist at that point, when by passing legislation like Bill C-55 we hand over the running of native affairs to natives themselves in a reasonable and efficient manner.

However, these three pieces of legislation go far beyond anything I can call reasonable and efficient. The legislation also maintains special federal responsibilities to Yukon First Nations, including large cash grants and creating separate living areas and entitlements based solely upon race.

At the same time, the legislation package gives virtually all the rights and responsibilities of a full fledged modern nation to these groups whose total population is approximately 7,300 divided into 14 bands and scattered across some of the least populated land remaining on our planet.

Even Canada's smallest cities have populations larger than the total population of these groups, which are now to be considered nations. Nor can it be any secret to any citizen concerned about public affairs in their own municipal governments that cities like Vernon and Salmon Arm in my own riding of Okanagan—Shuswap often are hard pressed to provide the personnel and pay for the services their residents require.

(1255)

It is more than ridiculous; it borders on the tragic to heap so much responsibility upon so few. The only thing making it possible is the ongoing financial support of all Canadian taxpayers; support for an inefficient administrative rat's nest, here boxed and wrapped as Bill C-55.

Bill C-55 creates a group to resolve land use conflicts certain to arise because of this government's decision to transfer responsibility for all "use, management, administration, control and protection" of some 16,000 square miles of land equal to about 75 per cent of the province of Nova Scotia to those 7,300 Yukon natives.

Included are natural resources, businesses, professional and trade licensing, responsibility for all construction, zoning and land development, sanitation and planning, operation and use of vehicles, prevention of pollution and protection of the extremely sensitive Yukon environment.

We all know that the Liberal government likes to brag about the number of jobs that Canadian citizens and entrepreneurs have managed to create in the year since the 1993 election despite federal government overregulation, mismanagement and overtaxation.

There can be no doubt that some of those jobs have been directly created by government. It seems apparent that native land claim settlements will become a big player in the job creation scenario because there will be administrative jobs for anybody who is not busy testifying about the many disputes likely to arise from changing the status of this parcel of land equal as I mentioned above to about three-quarters the size of the province of Nova Scotia, land now being divided into category A settlement land, category B settlement land or fee simple settlement land.

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The major purpose of Bill C-55 is to create some group that would have the authority and resources to settle the many disputes springing to life when miners, trappers, big game guides and many ordinary Canadians suddenly realize that areas where they may have thought themselves previously legally entitled to earn their living now have been handed over from either federal or territorial jurisdiction to control by the First Nations.

That dispute settling body is to be called the Yukon surface rights board consisting of a chairman and from two to ten other members, a majority resident in the Yukon Territory, with half the members appointed on the nomination by the Council of Yukon Indians.

I note that neither being a member of the Yukon First Nations or having an interest in their land shall be considered as grounds for disqualification. I have some concerns that this Yukon surface rights board may become a nesting site for that well known political species, the patronage appointed bird.

I believe it is important in all government groups to avoid even the appearance of conflict of interest, and so I hope that all concerned will take special care on that point.

Beginning on page 33 of the legislation, this act deals with mineral rights disputes on non-settlement lands. I must question the logic of this legislation doing so many things on the basis of race only but then granting authority over non-native lands to a board half composed of natives.

Additionally, because there are so many different pieces of legislation involved, namely the Canadian Oil and Gas Operations Act, the Yukon Placer Mining Act and the Yukon Quartz Mining Act, it seems that the Yukon surface rights board will have to develop some fairly sophisticated methods of weighing the various claims because virtually nothing is spelled out in Bill C-55.

What principles should the board apply to settle disputes? Is time of filing important? How long must a person have filed a mineral claim for natives to recognize it? What amounts of royalties will bands be allowed to request from proposed developers of mining property? What environmental protection bonds will be required? What percentage of band funds can be devoted to develop a mine that may employ natives?

I am sure that all of us hope that the Yukon chiefs and band councils are going to be fully responsible to their local band members in a democratic fashion. Where is the board's responsibility to either native or non-native people spelled out? Bill C-55 does require the board to make an annual report but it does not state in cases of conflicts of the best interests of natives with the best interests of non-natives whose interests should prevail. Can we today not envision such disputes lasting for many years?

(1300)

Finally, I was somewhat surprised to see that this board has been given discretion regarding awarding any and all costs of hearings they undertake. It is all well and good to direct that the hearings shall be conducted on the native lands wherever possible and also that the hearings should be dealt with as quickly and as informally as possible.

Nevertheless, I believe past experience should warn us that hearings involving serious conflicts of interest with native land claims have been known to drag on for many years to the delight of lawyers and other hangers on of the Indian establishment. The legislation proposes no limits, for example, on the number of legal advisers or other so-called experts which either side to a dispute might wish to summon. To that extent I am afraid that we are once again committing taxpayers to sign and pay for a blank cheque.

Some people are saying that the majority of disputes will arise and be settled shortly after Bills C-33 and C-34 come into effect. However, as population increases and resources become scarce during the next century on this planet, I believe that the people of Canada and the Yukon First Nations may well see themselves tied up in virtually endless administrative wrangling over surface rights in Canada's north.

I sincerely hope that Bill C-55 provides an adequate framework for the settlement of such disputes. However I see no clear evidence to make me reasonably certain that peace, order and good government for all people of Canada, including other provinces and future generations, will be well served by passing Bill C-55. Therefore, I ask the House to support me in opposing it.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I wonder if I might ask the hon. member a question. The term native was mentioned in the debate a lot during the speech of the hon. member.

I wonder if the hon. member might elaborate a bit on how he feels about the way aboriginal people in Yukon have been treated over the last number of years and whether he agrees that the aboriginal people, the Council of Yukon Indians, and other aboriginal groups deserve some recognition because of the fact that they were here for quite some time before the arrival of the rest of the Yukon population.

Mr. Stinson: Mr. Speaker, I thank the hon. member for his comments. First I am sorry that the member is upset about the word native being used so many times. I use that term about myself and about my colleagues, that we are all native Canadians. I use that word a number of times in conversation with anybody in the country. We are native Canadians. I can un-

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derstand the member's concern because of the misconception of that.

I agree that over the last years the native population in Yukon has not been treated that well by white people. This has been an injustice. We have to be careful that we do not try to cure this by another injustice. We have to do it properly at this time. Now is the time when we have a chance to do things that will be set in motion for centuries to come hopefully.

Our concern and my concern is that we must do it properly the first time around so that we can go forward and not have to keep going to court or run into the similar problems we have today 100 years or 200 years down the road.

Our obligation in the House is to the Canadian people and the future of Canada as a whole. Let us try to do it properly this time, not like we have done it for years. I hope that answers the member's question.

(1305)

Mr. Elijah Harper (Churchill, Lib.): Mr. Speaker, I want to address the House on Bill C-55, the Yukon Surface Rights Board Act.

I would like first to make some general comments regarding how this legislation came about. We had two previous bills dealing with the Yukon land settlement, the land claims and the self-government issue. I was somewhat perturbed as to the lack of understanding by the member who just spoke in terms of the relationship that the First Nations have in the country. I think oftentimes such ignorance misleads the general public. I do not blame the member. I think it is just a lack of knowledge and lack of awareness of that information.

I have always said that the first order of business in this country should be with the first peoples, the First Nations, in Canada. After all it is the First Nations that were here to welcome many of the newcomers who are here in this country, including members who are sitting in this House.

It is through the generosity of the First Nations people that many Canadians have benefited from the lands and resources in this country. In many parts of Canada there are still outstanding claims that have to be settled with First Nations.

In my area in Manitoba we have treaties that were signed a long time ago and in parts of B.C., the territories and Yukon treaties were never entered into. As a matter of fact this land claim settlement that we have just made I think is the conclusion of the outstanding business that needed to be settled with First Nations people in Canada. It is a modern day treaty that provides the wherewithal for First Nations to be self-sufficient and self-governing.

As the member has stated, Canadians need to be aware of what commitments the federal government is making to First Na-

tions. We need to look at what promises have been made by First Nations to this country. They have through treaties shared the land and resources with the rest of the people in this country.

The question is not asked by First Nations: "What are we committing ourselves to, to other people?" There is no hesitation at all to bind our future generations so that we can share our land and resources with the newcomers. As a matter of fact this commitment and these promises are forever. The treaties state as long as the sun shines and the grass grows and the river flows that is our commitment. We expect governments to reciprocate that kind of understanding to our people.

(1310)

As the member asked, what is the government promising to First Nations in the country? We have waited well over 100 years to address these issues. We have First Nations in Yukon who have waited a long time to settle these outstanding claims.

All these years governments have reaped the resources from Yukon. Canadians have benefited from those resources but across the country today the First Nations people still lack basic human needs such as housing which many Canadian people take for granted.

As a First Nations member I have been involved in this process for a long time, trying to educate the general public about these issues as to how generous we have been as First Nations people. That is a kind of understanding that I hope hon. members across will understand, that somehow in settling this land claim we are depriving ordinary Canadians. That is not so.

If the government were to look at the past 100 years in terms of the lands and resources that it has had and how much revenue it has obtained from these lands and resources that First Nations shared in the country, it would see that it runs into billions of dollars. If the First Nations people would even obtain a small percentage of the revenues generated from the lands and resources alone there would not be any government handouts. Oftentimes First Nations people come to governments to seek help. Oftentimes it is humiliating because it appears we are beggars and are seeking handouts.

The truth of the matter is that the aboriginal people, the First Nations people, have given much already and have had very little in return. It is time that governments honoured their obligations to First Nations people in this country. We are not asking for anything more or anything for less. We are just asking governments to live up to their promises.

(1315)

Another question I want to address is the hon. member's notion of self-government. The hon. member said that self-government should not be more than a municipality. That is another lack of understanding the hon. member has. In the country it was

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the Queen and her officials, the sovereign country of England, who entered into treaties with First Nations in the country. Therefore, we have a nation entering into an agreement with a group of people in the country and it certainly was not a municipality. It was the First Nations.

The notion of a treaty making process is a right that the aboriginal people, the First Nation people, have had for thousands of years. A treaty making process only validates and recognizes that the First Nations have been self-governing for a very long time. That is something that needs to be understood by Canadians and by governments in the country.

We have a special and unique relationship with Canada. I do not mean that we are special in a way that we are better off than other people. No other group of people in the country has that kind of relationship with governments except the First Nations.

By signing treaties we were entering agreements with another government and did things we understood. We have been very accommodating to other governments and Canadians. It is time we begin to reap from the land the resources that we once had control over.

I am extremely pleased to speak in support of the legislation that deserves the backing of hon. members from both sides of the House. The people of Yukon are nearly unanimous in expressing the view that it is time to move forward with the settlement on the Yukon Indians land claim. Bill C-55 is the final building block in the legislative foundation.

Hon. members are well aware that the Yukon Indians' umbrella final agreement was 21 years in the making. People who were not even born when the negotiations began now have families of their own. With Parliament's endorsement of Bill C-55, the benefits of the agreement, including money, can begin to flow to these families.

The claim agreement will do nothing less than ensure an equitable and prosperous future for Yukon Indian children and youth. It will also recognize First Nation seniors for their perseverance, patience and guidance, as well as compensate them for many years of hardship.

It will give Yukon Indians of all ages a chance for a new beginning, a new partnership with governments in the management of Yukon lands and resources.

Hon. members are also aware that the umbrella final agreement was ratified by all the affected parties: the federal and territorial governments, Yukon First Nations, business interests and non-aboriginal residents of Yukon.

It is supported by the stakeholders because of the certainty of land ownership and the rights it will bring to Yukon. This certainty is essential if mineral and energy development proj-

ects are to go forward, creating jobs, income and business opportunities for all residents of Yukon.

(1320)

We must acknowledge and respond to this support by moving Bill C-55 through this House as quickly as possible. To do otherwise would be reckless and irresponsible and would damage the crown's credibility among First Nations, northerners and all Canadians.

The legislation before us today will establish a new surface rights regime and a surface rights board for Yukon. The creation of the board was a key element of the umbrella final agreement and is, therefore, a legitimate commitment by the Government of Canada to all residents of Yukon.

If there is one thing that stands out about the bill it is the extent of the consultative process that has been proceeded with since its introduction to the House. Both the general public and affected interest groups in Yukon were widely consulted last year by federal officials when guidelines for Bill C-55 were being developed.

They were also consulted on a number of occasions on the wording and contents of the bill. Several groups from the mining industry participated in the legislative drafting process, including the Yukon Chamber of Mines, the Klondike Placer Miners Association, the Prospectors and Developers Association of Canada and the Mining Association of Canada.

The interests of the petroleum industry, which also has an important stake in the issue of surface rights, were well represented by the Canadian Association of Petroleum Producers. The Yukon Territorial Government also provided input as did the Council for Yukon Indians, various Yukon First Nations and the Gwitch'in Tribal Council.

Public input was solicited by sending drafting guidelines to major interest groups, including the Yukon Trappers Association, the Yukon Outfitters Association. An advertisement was also placed in Yukon newspapers announcing the availability of guidelines for review by the public.

Consultation on a first draft of the legislation began 15 months ago in June, 1993 when a draft bill was sent to all interest groups. Later that month a meeting was held with these groups in Whitehorse. Subsequent parts of the bill were distributed to groups in October and February. This was followed by additional meetings with the Council for Yukon Indians and the territorial governments in Vancouver in March and with other interest groups in Whitehorse in April.

Based on the output received at these meetings and through other channels, another part of the bill was produced and distributed this past June. Further meetings were held with different stakeholders in July, August and September, leading to more changes to the bill.

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My intention here is not to provide details of every meeting that has been held on Bill C-55, but it is important for the House to recognize that the government has made an extraordinary effort to hear the concerns of stakeholders who will be affected by the creation of a new surface rights regime in Yukon.

Most concerns were met but some compromises were necessary. The bill that has been introduced is consistent with the provisions of the land claims agreement and is in the best interests of all Yukon residents in the interests of open, accessible and responsive public government.

Hon. members would be hard pressed to find any stakeholder group in Yukon that opposes the basic principles that underlie this bill. The different groups may not agree with how every *i* has been dotted and every *t* crossed, but they do agree on the need for a territorially based surface rights board that will oversee a stable, fair and responsible regime.

It is my belief that we must seize this opportunity to put this new regime in place. As I stated earlier, further delay at this time is not only unnecessary but will jeopardize the implementation of the final agreements of Yukon First Nations.

I might remind hon. members that such agreements have been already reached with four Yukon First Nations: The Vuntut Gwitch'in First Nation, the First Nation of—

(1325)

The Deputy Speaker: The hon member's time has expired. I wonder if there might be unanimous consent to give him a moment or two more to finish.

Some hon. members: Agreed.

Mr. Harper (Churchill): Mr. Speaker, I will read my prepared statement which is about four more pages. I will try to read fast.

I would remind hon. members that such agreements have been reached with four Yukon First Nations, the Vuntut Gwitch'in First Nation, the First Nation of Nacho Nyak Dun, Champagne and Aishihik First Nations and Teslin Tlingits Council. Progress in the negotiations for final agreements with the remaining 10 First Nations are awaiting passage and proclamation of the bill and the coming into force of the Yukon First Nations land claims and self-government acts which members passed last June.

One of the primary objectives of land claim agreements is to bring about certainty of land and resource ownership. This is being achieved in Yukon and it will result in many economic and social benefits to both aboriginal and non-aboriginal residents of Yukon.

Hand in hand with this certainty of ownership comes the need for a known regime for obtaining access to private and public

lands. This regime must be responsible and fair to all residents of Yukon and it must put Yukon resource industries on a level playing field with other Canadian jurisdictions.

I am very confident that Bill C-55 will establish such a regime in Yukon. It will establish a common set of rules throughout the territory. It will ensure that all stakeholders have representation on the surface rights board which will hear disputes between surface rights holders and those who want access to the subsurface resources.

It will keep these disputes out of the courts. As my colleagues have already indicated, the proposed Yukon surface rights board will be a cost effective dispute resolution mechanism compared with litigation.

The surface rights board will be an extremely important body in Yukon. It will guarantee that mining companies and others will be able to exercise their legitimate rights of access to holdings of private land as well as crown land. This will ensure that resource development projects will go ahead after many years of delay and frustration.

The board will also ensure that compensation for the use of these lands is fair and reasonable. This is particularly important for First Nations which will own the surface rights of large tracts of land for which subsurface rights have already been granted.

In addition, the surface rights board will be mandated to uphold all existing rights of access across settlement lands for the public and government.

This is on the condition that the use of these rights does not significantly alter the route. Otherwise the consent of the affected First Nations will be required. Consent will also be required for new access routes across settlement lands.

There are many reasons why the House should support Bill C-55 but in weighing all the reasons my colleagues and I have outlined today, we should not forget that most fundamentally we will be fulfilling a commitment made by the Government of Canada to Yukon First Nations and to all Yukon residents.

That commitment was to settle the Yukon First Nations land claims based on the umbrella final agreement and the creation of this board is an integral part of that process.

The government's commitment to settle outstanding land claims was clearly stated in the red book and it is a pledge we intend to act upon at every opportunity.

We have made some excellent progress and established strong momentum over the past year. Most recently, we endorsed the final agreement of the Sahtu, Dene and Metis of the Mackenzie Valley. Negotiations are proceeding well on a number of other claims.

Government Orders

By addressing land claims in a fair and responsible manner, the government will resolve long standing disputes with First Nations and contribute to a healing process between aboriginal and non-aboriginal people.

I would urge my hon. friends to participate actively in this healing process by supporting Bill C-55 at second reading.

(1330)

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, the hon. member for Churchill spoke at some length on matters not directly covered by Bill C-55. In his remarks he referred to the lack of understanding of us on this side of the House. Perhaps the problem is that we understand only too well what is going on.

The hon. member speaks of the generosity with which aboriginal people bestowed their heritage and their resources on our ancestors. This is a misleading and I think unfair interpretation of history. The native people lost their territory and resources because they were confronted with overwhelming numbers of people who possessed technological superiority.

No right-minded person would suggest the game was fair. The invaders were not adverse to double dealing, chicanery and theft, but some native tribes were not exactly angels either. The past is past.

My question for the hon. member is short and simple. He long ago joined the Canadian mainstream. Why does he continue to promote and propagate the idea that other native people should not also join the mainstream?

Mr. Harper (Churchill): Mr. Speaker, what we have heard in the House from the hon. member confirms what I mentioned earlier. There is obviously a lack of understanding by the member. I said that ignorance sometimes misleads the public.

If the member knew the First Nations people, we have been very kind and generous. The member should look at exactly what the treaties mean. Much of the documentation created at those treaty gatherings was done by government officials, maybe in some cases by priests who did not understand aboriginal people.

We have a very rich oral history. The member would find the treaties meant that we were to live with each other side by side, that we would respect each other and not dominate each other. That is the spirit of the treaties. The member would not find those things written in history books, but if he talked to our elders he would find how generous we have been to share the land and resources with the people.

We have never been conquered. We chose to enter treaties with your government. Today we find that many of the First Nations people live in poverty. Meanwhile other Canadian people live in better housing. The standard of living in Canada is

one of the highest in the world. It is envied by many countries. But First Nations people do not enjoy that.

Like I said, all we ask for is the government to live up to its treaty promises. We do not ask for anything more or anything less.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I wonder if the hon. member for Churchill might elaborate a little more on the comment that was just made suggesting we should go into the mainstream of Canadian society. We do enter the Canadian mainstream society when we walk in the door to the House and Commons and to our offices each morning, but that is a when in Rome do as the Romans do practise. When we are back in our homes it is different. People do not go up to me and say: "Mr. Anawak". They say: "Hi Jack".

It is not our way to make one person any better than another, because we respect each other. I wonder if he could elaborate a little more. Yes, we do enter into the Canadian mainstream but at the same time our culture is very important to us and should be kept at all possible costs.

(1335)

I realize this is not part of the debate, but considering the comments made by the member, I think it is appropriate that there be no misconceptions about how we feel as members of Parliament about entering the mainstream of Canadian society when we need to.

The Deputy Speaker: The hon. member for Churchill when answering might wish to use up the remaining one and half minute of the debate.

Mr. Harper (Churchill): Mr. Speaker, I thank the member for his question. I chose to become involved in mainstream politics because I wanted to raise many issues.

As First Nations members we were not even recognized as part of the country for a long time. The first time we were allowed to vote was in 1960 and in the province of Quebec it was 1969. Many of the laws and legislation affecting First Nations people were passed without the full consent and participation of the First Nations people.

It is hard to unravel the history and legislative policies over the last hundreds of years in that short period of time. As a matter of fact I was the first treaty Indian elected in the province of Manitoba about 11 or 12 years ago. Most of my activity in the political field has been in mainstream politics. Before that I was chief of my band.

My ambition was to become involved in mainstream politics and hopefully through my participation many other people will begin to understand First Nations people.

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[Translation]

The Deputy Speaker: It being approximately 1:37 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

(1340)

This is a terrible legacy and unless we address it, the principal effect of this generation of politicians on the well-being of the next generation will be essentially negative rather than positive.

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[English]

STUDENT LOANS

Mr. Manning: Mr. Speaker, I rise on a point of order. As you are aware, since the introduction of Motion M-291, the Canada Student Loans Act has been repealed and replaced by the Canada Student Financial Assistance Act.

I would like unanimous consent to amend M-291 by striking out the words "Canada Student Loans Act" and substituting the words "Canada Student Financial Assistance Act".

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Amendment agreed to.)

Mr. Preston Manning (Calgary Southwest, Ref.) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Canada Student Financial Assistance Act to include an income contingent loan repayment system in order to:

(a) reduce the cost to taxpayers of financing post-secondary education by reducing the number and dollar amounts of loans defaulted upon, by charging accumulated interest, rather than simple interest on defaulted loans, and by reducing the number and dollar amounts of collection fees for defaulted loans;

(b) allow post-secondary students greater flexibility and fairness in financing their education through extended loan repayment period based on a fixed percentage of individual income;

(c) ensure that post-secondary institutions in Canada receive the funding necessary to maintain the high quality of services they presently provide.

He said: Mr. Speaker, I rise today in support of this motion. Before speaking to the merits of it, I would like to give a broader reason for Parliament, not just Reformers and not just the government but all members, to send a positive signal to young people by endorsing this proposal.

All of us as parliamentarians and members of the older generation pay lip service to the value of youth and the importance of the younger generation of Canadians. But actions speak louder than words. Often the actions of Parliament and the government send a very different message. For example, the chronic and systematic overspending by governments of our generation have piled up a burden of debt and taxation which we are passing on to the younger generation.

Therefore I feel it is important for Parliament and the leadership of the country to offer something of real value to young people, something that by its very nature sends a message that states: "Yes, we realize your importance; yes, we recognize your value to the future of the country; and, yes, we are prepared to invest in you and not just pass on our debts".

During the last federal election campaign I made two proposals on the subject of higher education which seemed to provoke a very positive response from younger people. One was the proposal to give students more control over the spending of education dollars by distributing federal cash transfers in support of education in the form of non-repayable vouchers.

The other proposal that evoked a good response was the proposal embodied in this private member's bill. It is also a proposal mentioned in the government's human resources development discussion paper and that is the proposal for an income contingent loan repayment program.

I should mention that in the national leaders' debate that was held in Ottawa during the election campaign where the questioning from the audience was very controlled, the one and only question from a younger person in that audience had to do with how students facing higher tuition and education costs are going to finance their education in the future. I suggest that this income contingent loan repayment program provides the best answer we can think of to that question.

I would like to review the current situation briefly. Everyone knows students require money to finance their education. I know something about this personally. Sandra and I have five children, three of whom are of university age. The principal sources of funding for students are these: income earned by students themselves, and many students today are carrying two jobs in addition to their education to try to make their way through; family funds, if those are available, but those are often very restricted in many families; scholarship funds which are usually tied to academic performance and other criteria; and, borrowed funds.

At present the principal federal act for securing borrowed funds for students is the Canada Student Financial Assistance Act, the old Canada student loans act. Under the provisions of that program the government guarantees loans by private lenders, namely the banks, to students with the cost of the loan being subsidized by the government as long as the student is enrolled in full time studies. The student usually begins paying the loan back about eight months after leaving school. In the event of default the lenders are reimbursed and the loan is usually sent to a collection agency under contract with the government.

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The principal defects of the current system are that it provides insufficient funding for students facing rising tuition and education costs and the fact that one in five students ends up defaulting on their loans.

Reform has asked: Is there not some superior alternative? We believe it exists in this income contingent loan repayment program. Since that is a mouthful I will refer to it from here on as the ICLR program.

Simply put, this is a program designed to allow students to pay back their student loans over a period of time after graduation based on their annual income, with collection being organized through the income tax system. After graduation a student would begin to repay their student loan based on their ability to pay as determined by their earnings. Precisely how much a former student pays back each year would vary from year to year depending on income. The specific amount set as a percentage of income would be paid through the income tax system. If the student's income does not reach a specified minimum amount, the payment would be deferred until earnings increased.

This payment system depends on an accurate flow of income statements after the individual has left the institution of higher education. Revenue Canada, producing the full details of a former student's income and whereabouts through the income tax form, would be the collector of the loans. We like the idea of income contingent loan repayments for three reasons.

(1345)

It would help to maintain the high quality of educational services in this country. As the finance minister pointed out in the last couple of days demands on public resources are enormous. The availability of those resources is increasingly limited. Both federal and provincial jurisdictions are wrestling with how to refinance post-secondary education.

As governments contribute less and less funding and costs increase, the quality of education will decline unless new sources of revenue are found. Lack of laboratory equipment, growing class sizes and enrolment caps are a direct result of the decreasing government contributions in the face of escalating educational costs.

Any workable resolution to the underfunding of higher education must depend on more financing from non-government sources, including increased student fees. However one cannot increase tuition and other fees to students without making the cost of a university education even more prohibitive than it is under the current system.

If however students were permitted to repay loans on an income contingent basis over a longer period of time, the burden of higher tuition fees would be more manageable. Private lenders and the federal government would also be able to

provide more and larger loans at lower risk because the loans would be secured by the enhanced future earnings of the graduate and backed up by the collection powers of Revenue Canada.

Another reason for supporting this scheme is that it provides greater fairness and flexibility for students. The current student loan system has many defects, most of which result in high default rates.

Prospective borrowers are subjected to traditional means tests that take into account their parents' and their partners' income. Students whose parents are relatively well off are often ineligible for student loans even if they receive no assistance from their parents. Students are obliged to repay their loans at the same rate and at the same level after graduation, regardless of their employment and income position.

The high default rate which results from this system has two particular negative effects. It invites abuse of the system by irresponsible borrowers to the detriment of those who really need the loans. It also makes it harder to maintain public support for the student loans program because taxpayers are often left holding the bag. The income contingent plan by contrast links the payment to the ability to pay and makes repayment more certain to the benefit of both students and taxpayers.

Under the current act taxpayers pay the difference between the simple interest paid by borrowers and the accumulated interest that private lenders demand. The taxpayers subsidize interest costs while the borrower is in school. The taxpayers end up footing the bill for loans where borrowers default and pay the collection fees charged on the defaulted loan. The cost of default has become a substantial burden on the entire system. Earlier this week Peter Moon of the *Globe and Mail* sketched out the dimensions of this burden.

Currently about one in five borrowers default on their student loans. About two-thirds of these eventually repay but only after the federal government assumes the debt from the bank and has launched some form of collection activity. The other third, about 7 per cent of all student loans, are carried as bad debt. There is currently about \$1 billion in bad loans outstanding owed by 180,000 former students. Eventually about 2 per cent of all student borrowers use bankruptcy to evade payment of their loans.

Under an income contingent system these costs would all be substantially reduced. The savings associated with minimizing collection costs in particular would be major. The government spent about \$23.3 million in collection costs last year to recover about \$100 million worth of debt. With a total value of defaults approaching \$1 billion the potential earnings of the collection agencies is now estimated to range up to \$300 million.

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To sum up, Reformers advocate the adoption of an income contingent repayment system for loans for three reasons. First, it is a cost-effective, fair and flexible system for students. It enables them to invest more in education, thus helping to fund and maintain Canada's high quality system. Second, it provides fairness and flexibility for students by dispensing with traditional means tests and by allowing former students to repay their loans over a longer period of time based on their income. The third reason is that it reduces the cost to taxpayers by minimizing defaults, dispensing with interest subsidies and minimizing collection costs.

(1350)

I would like to spend a moment or two comparing the Reform and Liberal government commitments to financing higher education. I often note that some of the government's best ideas are ones that have been appropriated from the Reform Party. Canadian governments have gone out of their way to ignore this type of proposal for about 40 years, as well as the experiences with it in Australia and New Zealand. However only weeks after my motion was placed on the Order Paper experimentation with ICLR appeared in Bill C-28.

During the debate on that bill, Reformers suggested that the whole system of student loans should be overhauled with a system of income contingent loan repayment. A few months later, lo and behold, the social policy discussion paper proposed just that. We do not mind when the government borrows good ideas from Reform. Our only concern is that it takes it so long to do it. We hope it does not bungle the implementation.

There is however one significant difference between ICLRs as the government is proposing and ICLRs Reformers propose. Unlike the Liberal government's proposal, Reformers do not see student loan reform as a means of offloading government debt onto students or abdicating the federal government's role in the funding of higher education.

We see income contingent loan repayment as a replacement for the current system of student loans and as a supplement to federal educational transfers. We believe the cash portion should be transferred directly to students in the form of non-repayable vouchers.

On the other hand, the government's social policy discussion paper recommends eliminating the cash portion of federal education transfers. This would reduce the EPF portion of federal education funding by over 40 per cent and students would have to meet this shortfall.

This is why students are so concerned about the government's proposals. Students are not stupid; they know the difference between a repayable loan and a non-repayable voucher. While ICLR is a valuable proposal in and of itself, students and

prospective students legitimately fear that the sudden elimination of federal cash transfers will damage the quality of education, restrict access and saddle them with massive personal debt.

In conclusion, I want to say just one word about the support of the ICLR system and where it should come on the list of Parliament's spending priorities. Everyone in the Chamber knows the Reform Party has made its reputation by calling for spending reductions that would balance the federal budget within the term of this Parliament. However as indicated in our zero in three plan for eliminating the deficit which we tabled last winter, one of the few areas where Reformers do not advocate spending reduction is in the area of financial support for post-secondary education.

Make no mistake: Reform's fiscal goal is to eliminate the deficit. However post-secondary education as an investment in Canada's future is so important to us that we are prepared to make massive spending reductions in other areas in order to maintain current funding levels for education.

I suggest to the House that of all the things the government does, of all the money it spends, its one true investment in the future is its investment in the education and training of the younger generation of Canadians.

In this light, the inadequacy of the proposals put forward by the Minister of Human Resources Development in his discussion paper with respect to financing education frankly leads us to question the government's competence to set spending priorities in the exercise of social reform or deficit reduction.

I ask the House and I ask members opposite: Is \$1.1 billion in federal subsidies to the CBC more important than the funding of the education of young people? I do not think so. Is \$40 million in federal funding for multiculturalism more important than funding the education of young people? I do not think so. Is \$50 million spent on bilingual bonuses for civil servants more important than the funding of the education of young people? I do not think so. Is \$1.4 million spent on a film glorifying the murderers of Pierre Laporte more important than the funding of the education of young people? I do not think so. Is over \$3 billion in federal funding for subsidies to private business more important than the funding of the education of young people? I do not think so.

(1355)

In conclusion, I hope the House will support this motion to reform student loans, especially in light of the proposals in the government's social policy discussion paper. Let us send a clear signal to the young people of the country that our highest priority is their education, their knowledge and skills, and their future.

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Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I am pleased the hon. member did eventually conclude. After saying in conclusion about three times, it was nice to see that he finally came to his conclusion.

The government believes our competitiveness and therefore our prosperity depends on the skills and talents of individual Canadians. The policy choices we make today will have important consequences for the future. Based on that belief the federal government is ensuring access to student loans and increasing the amount of money students receive under the program.

We have approached the provinces to undertake pilot projects in areas like school to work transition and learning technologies because we know Canadians will be placing more and not fewer demands on the educational system in the future. The resources we use must be carefully placed for the greatest impact. Research partnership with provincial governments will develop new ways of bringing appropriate instruction and training within the reach of all Canadians.

Members already know we have to make the most of every tax dollar. They should also bear in mind there are few better investments to make with those tax dollars than helping our people to learn, whether they are children, teenagers, people in the workforce or people who want to rejoin the working world.

It bears repeating that the government and most Canadians place a high value on post-secondary education. Canada and Canadians spend a great deal of money on higher education. Every college and university student in Canada owes the taxpayers a great deal, but the taxpayers benefit from a well educated workforce.

Our college and university graduates repay the investment in many different ways. University graduates have an unemployment rate of 5.7 per cent; the rate of those who did not finish high school is more than 16 per cent. Post-secondary graduates earn about 40 per cent more than non-graduates over their lifetimes. Last year more than three million Canadians were on some kind of income security at one point.

In a time of constraint, allocating resources becomes very difficult. There is greater need and there are more contending voices. Under these circumstances a government is obliged to listen carefully before choosing a policy.

To justify support for higher education we can point to the fact that in the last three years there were 17 per cent more jobs for university graduates and 19 per cent fewer jobs for those who had not completed high school. By the year 2000, 45 per cent of jobs will require 16 or more years of education.

With that in mind we have improved the Canada student loans program. These measures reflect the concerns raised over the years by the public, the provinces and student groups. There are many reasons for extending the benefits of student loans.

There is no question that an investment in education now will reduce social assistance costs in the future. A sound education and access to training now will help following generations of Canadians to grow up in a more secure world. We must invest in a skilled workforce now to ensure that Canada and Canadians have real choices in the future.

The work has already started. New financing arrangements under the Canada Student Financial Assistance Act will ensure income sensitive terms for borrowers as they repay their loans. Lenders will assume greater responsibility in servicing and recovering loans.

Under the reform, students in similar situations will receive similar treatment in each participating province. Some students are worried that income contingent repayment will load them with a huge burden of debt. We made our intentions plain in the new Canada Student Financial Assistance Act.

Take a look at what we did. We created four new grant categories under the student loans act. We responded to the needs of part time students, students with disabilities, single mothers and women in certain graduate programs.

We want people to get a good education. Canada gets a high return from its investment in competent and well trained graduates. At the same time the government believes that those who benefit from post-secondary education must assume their responsibilities. When we make student loans for example, we believe those students are obliged to complete their studies and then repay the loans if they are able.

In his motion the member calls for the government to consider the advisability of income contingent repayment. With all respect, the short answer is the government is already looking at income contingent repayment.

(1400)

In May and June the government moved the Canada Student Financial Assistance Act, Bill C-28, through Parliament to royal assent. This act provides flexibility for ICR schemes. We are consulting with the provinces on possible pilot projects. The province of Ontario and the Department of Human Resources Development among others promoted and took part in a two-day symposium on income contingent repayment in later September. Work is underway with Statistics Canada to develop an economic model of ICR which will allow the testing out of various scenarios.

The question we must ask about ICR or any other proposal about higher education is simply will this measure benefit Canadians by bringing college and university studies within the reach of everyone who wants to attend?

The discussion of ICR is not taking place in a vacuum. As we all know, Canada's economic future will increasingly depend on our college and university graduates. The choices those students make will determine the country's ability to compete and our

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potential to remain one of the best countries in the world, in my view the best.

These brief remarks can hardly do justice to the concept of income contingent repayment. What I can say to the hon. member is the government is always willing to explore new ways to do more with fewer resources. We are already taking steps to investigate income contingent repayment.

The reforms to the student loans program which are now being implemented do not represent the government's final word on ways to help Canadians finance their post-secondary studies. If there is convincing evidence that Canada would benefit from an income contingent repayment system the findings will speak for themselves.

We do welcome good ideas. As a nation we spend 2.6 per cent of the value of our entire economy on post-secondary education every year. That is a lot of money. It is also the highest percentage of any country in the world. From high school 60 per cent of Canadian students now move on to college or university. We should bear in mind in a given year two-thirds of students do not take out student loans. The majority graduated with under \$5,000 in student loans.

When it comes to ICRs we have done our homework. At the same time some student associations believe that any benefits they receive from ICR loans would quickly be taken away by their provincial governments in the form of fee increases.

We all know that we cannot impose educational fee schedules on provincial governments. They have gone up in recent years. Let me make this point. Education and training are shared responsibilities. Governments can offer students a wide choice of opportunities but Canadians have an obligation to invest in themselves.

As a country we are willing to commit resources to education, but many Canadians still feel we are not getting the kind of graduates we need. We all face a new reality. When people stop learning they stop earning. We do not want to burden new graduates with huge debts. The new act makes that clear. We are working for a system that supports people who go to school, not one that penalizes their ambition.

Throughout their working lives many if not most Canadians will need to learn new skills. Before that can happen all of us must learn new attitudes as Canadians, as governments, as businesses and associations. The challenge is accessibility. Potential students may have all the ability and all the desire in the world but we cannot expect them to undertake their studies without the means to finance their education and a realistic way to repay their loans.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I too appreciate this opportunity, as the Official Opposition critic for training

and youth, to state the position of our party with regard to Motion M-291 put forward by the Leader of the Reform Party

This motion, as you may recall, reads as follows: "That, in the opinion of this House, the government should consider the advisability of amending the Canada Student Loans Act to include an income contingent loan repayment system [—]"

On the face of it, the concept of repayment based on income seems to be to the students' advantage. If that were the intent, there would, of course, be very wide support for this motion on this side.

(1405)

But since no clear definition of this concept exists as of yet, it can easily be used for other purposes.

As it stands, the motion tabled by the leader of the Reform Party justifies, in our view, the approach advocated by this government, that is to say to have the students defray the costs of higher education.

There is no need for me to emphasize the fact that, at more than \$500 billion, our national debt is huge, but the point can easily be made that students are not to blame for this situation. It is not the doing of students pursuing higher education. I will not get into a debate on who is to blame. Let us just say that the blame does not rest only with this government. As we know, this debt has been spiralling, particularly since 1979. It started under the Liberals and continued with the Conservatives and is still growing today.

Just now, I heard the member of the governing party say something that is very wrong. He said that responsibility for higher education is shared by the federal and provincial governments. The member has misread the Constitution, which clearly states that education and higher education are a provincial responsibility. My purpose today is not to debate the Constitution, but it is still worth recalling because even members of this House seem not to know that fact.

Despite that, we know that so far the federal government has used the spending power, which is also in the Constitution, to invade this field. Since some of Quebec's taxes have been used until now to finance higher education under the federal government's authority, it was normal that we tried to obtain our share, but again, keep in mind that it is in provincial jurisdiction.

Until now, we in Quebec have used our right to opt out with financial compensation, but this is not the discussion that I want to get into today.

We believe that we must debate ICLR more thoroughly before setting up such a plan. Nevertheless, we oppose any use of ICLR if the ultimate goal is to make students pay the full cost of higher education, because tuition fees are already rising outrageously. Students' indebtedness is also growing at an alarming rate, and

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not just the national debt. Students' personal debt is already rising fast.

Indeed, students have great difficulty repaying their loans once they graduate. According to an article that appeared in the October 18 edition of the *Globe and Mail*, the federal government is now owed close to \$1 billion by former students unable to repay their loans. The new financial assistance law passed on June 23 will allow us to compensate by turning to banks, whose customary generosity is well known. These banks will not hesitate to recover students' debts.

Here is another statistic: former students unable to pay for their studies make up 10 per cent of personal bankruptcy cases. What do they want to do now? They want to increase these students' debt load. Where are we heading, Mr. Speaker?

Although figures are often contradictory, according to the Committee on Human Resources, the average Canadian student owes \$11,000. At first sight, this does not seem very high, but it is the average and we know that the average includes those students who do not complete their college or university studies. This means that, at least in Quebec, the \$11,000 average debt would be closer to \$16,000 or \$17,000 for those about to receive their B.A., and some even talk about a higher figure.

(1410)

They mention an average of \$21,000 for students with a master's degree and \$37,000 for those with a Ph.D. The Federation of Students thinks that these figures will double. We can see what kind of debt load this could lead to.

I do not think that the purpose of this motion is to help students. If we read paragraph (a) of the motion tabled by the leader of the Reform Party, we can see clearly that such is not the case. Its first objective is to "reduce the cost to taxpayers of financing post-secondary education". The goal is not to help students but to reduce the deficit. So we, of course, disagree with the motion as it now stands.

A closer look at the text of the motion gives us a better understanding of the real motives of this party which, above all, wants to cut costs. I said that in paragraph (a), the reason was to reduce the cost to taxpayers of financing post-secondary education. Like the Liberal government, the Reform Party recommends reducing the government's financial commitments to post-secondary education. Its purpose in presenting this motion is, first of all, to reduce government spending.

Students will have to pay higher tuition fees as a result of government cutbacks. The Reform Party and the Liberal government describe income contingent loan repayment as a blessing

for students, but they omit the fact that this measure comes at a time of major cuts in financing for post-secondary institutions. The blessing is rather dubious.

We are against cuts in post-secondary education. If the government wants to withdraw from an area that is an exclusively provincial jurisdiction, it should do so across the board, not just financially. The government seems to want to control more while spending less. There is a contradiction here. We agree the system for repayment of student loans should be changed, but not in the way suggested by the Leader of the Reform Party or by the Liberal government under its current social security reform.

Occasionally, references are made to countries like Sweden, Australia and New Zealand, which have introduced income contingent loan repayment systems. We know that New Zealand was forced to do so by the IMF. However, people tend to forget that the position of students and post-secondary education financing differs from one country to the next. It is therefore very difficult to apply in this country what is being done elsewhere, especially since the ICLR systems used in these countries are relatively recent and according to initial results have shown that they are not successful.

Closer to home, a pilot project in Ontario had 1,000 openings and only 75 people took advantage of this opportunity, 75 out of a potential 1,000. Why? Because, students, the Canadian Federation of Students and the Quebec Federation, all the major student federations are against the system. Why? Because it only covers loans, and there are no provisions for bursaries.

In Quebec, we have a bursary program that is very popular. Since I only have one minute left, I see the Chairman of the Human Resources Committee, and I happen to be a member of this committee which will organize wide-ranging consultations across the country. I think this is a concept that could be discussed, but I think we would need some in-depth consultation before getting it on the road.

[English]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it gives me great pleasure today to speak on the motion of my esteemed colleague, Motion No. 291, to amend the Canada Student Loans Act to include an income contingent loan repayment system in order to reduce the cost to the taxpayers of financing post-secondary education.

Before I begin I would like to address my colleague's concern. This is not a turf war between provinces. We are bringing this motion forward for students across this country and we do not care what province they come from. I suggest that he look to

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New Zealand and Australia to see two places where the motion has been brought into play and where it works.

(1415)

If health is the most important thing that Canadians value then surely education is its greatest investment. A solid investment in education for the people of this country, particularly its youth, is the greatest guarantee that we can have to ensure the social and economic integrity of our society.

Canadian universities are now in a state of serious financial crisis. Administrators, faculty and students alike agree that the fiscal crisis we are now in compromises their ability to provide for the best educational opportunities for the youth of this country.

Underfunding on every campus is pervasive and the effects are extremely negative. Fat has already been removed from the system. We are now down to the bone and the bone is being chipped away.

It was not so long ago that I graduated from the University of Toronto after spending seven years there. It has not become any easier since I graduated. Underfunding for the students is still a huge problem as an example. The percentage of students borrowing from 1982 to 1990 has risen from 44 to 47 per cent but the amount they owe when they get out has also increased dramatically, from \$5,400 to \$8,600 for merely a bachelors degree. This is especially prevalent among those of lower socioeconomic groups.

The fact that costs are increasing is compounded by the fact that students cannot find summer jobs or part time jobs to offset their tuition fee. In effect they are caught between a rock and a hard place. On one hand they recognize that their best hope for a career and a future to become financially independent is to acquire post-secondary education. On the other hand they recognize that it is becoming increasingly more difficult to fund it but to drop out of school will commit them generally speaking to a life of low paying jobs with little potential for advancement.

Recent studies have shown that the most important factor of gaining employment is in fact some form of post-secondary education. This fiscal crisis that students have can be amplified on a macro scale to our country by the fact that we have increasing deficits that add to the debt which produces increasing interest payments that extracted from the government and enables less money to be paid for programs such as education. I know we keep on harping on this fact but we will repeat it a thousand times until the government gets into its head what needs to be done.

It is a vicious cycle that has to end. I am encouraging the Minister of Finance who has at long last admitted to the problem and has an understanding of what to do. However he does not have a plan. We do in this party. It is called the zero in three plan.

Again I encourage the Minister of Finance to solicit our help in aiding him to make fair, equitable and constructive cuts to minimize the hardships for people while enabling this country to get the economic kickstart it is so desperately in need of. We have a plan. All he needs to do is ask us for it.

We in this party have also looked for ways to ensure that every qualified student gets equal access to post-secondary education and not just the rich. In response to this my colleague has again brought up what I will refer to, and he has explained, as the ICLR, a concept that our party has been advocating for years. It has widespread support among students, administrators, and educators alike across the country. It has been applauded by these groups as being fair, more effective, and more fiscally responsible than any other way of dealing with the student loan system.

Currently our system has the same loan limits and criteria and has not changed since 1984. It is behind the times; behind the times with the costs of education rising, the cost of living rising, and job availability decreasing. The loan system has become archaic and much less helpful for the student population and requires immediate revamping.

When students graduate they often find it very difficult to find employment in the job market and this is becoming increasingly more difficult with time. Real incomes are down, job prospects are down, and they cannot pay back their loans. As a result of this, 70 per cent default in the first 12 to 18 months. This does not lead to a system that is self-sustaining and self-perpetuating for future generations. It costs the taxpayers money. It is a drain and an unnecessary one at that. It detracts money from higher education.

(1420)

How bad is this situation? Let us take a look. In 1992 loan defaulting became epidemic. The value of loans defaulted since 1964 is in the order of a billion dollars. That represents 180,000 students. The cost of extraction will be between \$135 million and \$270 million, money again removed from the educational system that could best be spent to provide for students in the trenches.

The finance minister has also proposed to convert the cash contribution of education from \$2.6 billion to zero by the year 2006. This will produce a sharp rise in tuition fees and some say will double in the year 1997. The problem is becoming more critical in the very near future.

This is the most interesting fact. Most people after they receive their post-secondary education ultimately do find a job. The problem occurs in the first few years after they graduate when they are not making much money at all. Because of the inflexibility of the current loan repayment system they are forced to default. This is a tragic loss to the taxpayer and our educational system and one that is unnecessary.

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That is why this ICLR system that we propose is a powerful tool to ensure greater certainty of return by tying the repayment scheme to the income of the student. It would not cost more to operate because it would operate through the existing income tax structure and would be easily managed.

With the ICLR, this would produce a system that would be self-sustaining with a much higher rate of return and much more money being kept in the educational system. It is fair and non-discriminating.

Education is indeed the hope of the future. In this world of globalization and specialization, with the rapid movement of capital across borders, economies are forced to change and change rapidly. That is why our educational system must be nimble in its ability to accommodate the needs of a rapidly changing economy.

It is estimated that a student now graduating will change his or her profession four, five or more times in the course of their lifetime. With this in mind, we will need an expanded educational system and the ICLR will produce the funding for this system by stanching the losses incurred through defaulting.

I implore the government to look ahead to the future, not five years but forty years down the line to anticipate the needs of our economy and provide for these educational opportunities now. This will require courage and foresight with this knowledge.

Our country demands a strong workforce. A workforce can only be strong if it is given the proper educational opportunities that it deserves which will cost money, money that will be harder to find. That is why Motion No. 291 is a must to support. We in this party support it. I hope people across the House and across party borders will take it in their hearts to support this motion for students all across the country.

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, to debate the motion thoroughly, we should take a moment to reflect upon what we expect from higher education.

Canadians understand that we face tougher competition here at home and around the world. Knowledge based industries are becoming more important. We hear more about concepts like distance education and lifelong learning.

The pace of change is accelerating. Knowledge intensive industries like telecommunications, environmental services, computer technology and biotechnology will provide economic growth now and into the future.

The working world has changed dramatically. Canadians can now expect to change jobs several times in a working career, as the hon. member just said. No one can count on lifetime secure positions with a single employer.

We know that a majority of jobs now being created will require at least 16 years of schooling. Higher education and continuous retraining will be necessary to remain competitive in the marketplace of the future.

While Canadians are being told to acquire more education, tuition fees have been rising and changes to the family structure and the economic environment have been making it difficult for some people to return to school to complete their studies.

Therefore, we take the hon. member's motion to consider the advisability of income contingent repayment quite seriously. Under ICR loan repayments would be adjusted to incomes. Graduates could begin their working lives knowing their student loan debts would not overwhelm their incomes. Such systems could reach potential students who are now deterred by the prospect of large, fixed loan repayments after they leave school.

(1425)

As the member may know, the federal and provincial governments have discussed these concepts in the past. We will continue to examine them. An ICR student loan system deserves careful consideration. The potential cost implications will be a factor in our assessment because the federal government must reduce spending in all areas in order to address the deficit. The matter is as clear to the hon. leader of the Reform Party as it is to me. Cost will not be the only factor.

The member's motion is an opportunity to elaborate on the discussion of income contingent repayment in the social security reform discussion paper. Every year the provinces receive a higher proportion of their post-secondary education funding as a result of the transfer of tax points. The overall transfer of funds from the federal government is not increasing. This means that while the tax point transfer increases provincial revenues, revenues that are supposed to be used to support educational institutions, the direct cash component of the transfer is declining.

The provinces in the coming years will retain the tax points and they will steadily increase in value as the economy grows. The federal government is asking the provinces to consider shifting the current cash transfers into expanded loans and grants to students. The result would be a permanent \$2 billion loan fund for sustainable student aid.

The resource would continue to grow in the future and extend its benefits to succeeding generations of Canadians. This is not the blind and brutal cost cutting that some opponents of social security review fear. Designed properly and carefully administered, we could put in place a resource that would help educate generations of students.

As a proposal for change the hon. member's motion is one more voice calling for creative ways to help every Canadian with ability and the desire to attend college or university. We have already taken measures to increase and enhance student

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assistance and to help students make the school to work transition.

We have high expectations of our graduates. We want them to maintain a prominent place for Canada among the advanced countries of the world. Considering our expectations, providing student aid to those in need is more than a commitment to fairness and equality; it is an investment in people. The amount and the conditions of that investment in student loans reflect the confidence we have in their abilities.

We need a climate that encourages both entrepreneurs and investors. We need a highly skilled and adaptable workforce to keep pace with the competition in high tech industries around the world. Now Canadians want clear direction to guide their individual decisions on education and training.

This generation of decision makers must give all Canadians realistic choices because now more than ever we need everyone's skills and capabilities mobilized to build our common future. In creating opportunities the government put its commitment to education and training on the record. We are keeping our promises.

For 30 years the Canada student loans program has reduced financial obstacles to post-secondary education for over two million students. The new measures we introduced this past spring will make education more accessible to students with disabilities. Those students will help build larger, better educated and a more representative workforce.

Other reforms reach out to a growing constituency of part time students by increasing their loan limit from \$2,500 to \$4,000. Under the new financing arrangement part time students will pay only the interest on their loans while they are still in school. Single parents will face fewer obstacles to their education. The new needs assessment acknowledges the reality of child care and transportation expenses as well as tuition and books.

To address their present under-representation, women in engineering, mathematics and science programs at the doctoral level will be eligible for special opportunity grants of up to \$3,000 per year.

The Canada Student Financial Assistance Act reforms are designed to help those who need better access to post-secondary education. Today more than 900,000 full time and more than half a million part time students are pursuing a higher education. They do not just represent an investment in our future, they are the future.

The new Canada Student Financial Assistance Act also enables the federal government to join provinces in pilot studies of income contingent replacement systems. The hon. member opposite might recall that we wrote this specific provision into the Canada Student Loans Act so we could investigate its usefulness.

Income contingent replacement has some very attractive features. It can be designed to meet different categories of need while students are still in school. After finishing school, the graduate who finds employment can pay off the loan at a rate that by definition is affordable.

The student's risk is reduced because the loan would adjust to an unexpectedly low income. We have heard the term offloading from some students who oppose the ICR assistance, because they believe people will graduate with huge debtloads. ICR assistance can be designed to protect the very small number of students who necessarily take on a high level of debt.

Just as we have made provision for large debts in the Canada Students Financial Assistance Act, we could design a system that eased the burden of these situations. For the average student, the extra burden is estimated at about \$2,000 a year. To put that in perspective, two years after graduation, the person with a post-secondary education is making 25 per cent more than someone with only a high school diploma.

(1430)

If students take out a loan to finance their education, they are the best judges of how much debt they can assume. If they are wrong about their future earnings, they are only required to repay what they can afford.

In effect, borrowers are protected from the risk of being unable to pay and their borrowing relates to their ability to pay rather than that of their parents. We do not intend to bury our students under a mountain of debt, far from it. We will support their efforts to get the education they want. We want them to go on and hold jobs and create jobs. When that happens, the student loans system benefits all of us.

The hon. member's motion and the new Canada Student Financial Assistance Act both address the aim of meeting the challenge of allocating education costs fairly between governments and students.

Some groups oppose an ICR while others believe there will be benefits. The Association of Universities and Colleges has proposed an ICR type system. The Association of Community Colleges is generally in favour. Some student associations are interested in the concept. I note that some institutions have concern with the proposals in the social security review with respect to EPF transfers.

We are in dialogue with these institutions and welcome their active participation in the social security review. Their ideas and support are extremely important for all Canadians.

There are no exact models elsewhere in the world that tell us how ICR would work in Canada, in the Canadian environment. We must evaluate the idea in the Canadian context. We want to know if we can build a comprehensive system to help

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students in need without putting a greater burden on the taxpayer.

Social programs save money by putting resources where they belong, training and employment skills for those who need them and protection for those people who need help.

The current system is not doing a good job. It keeps some Canadians in poverty and dependence. Any new system must help people learn the skills, develop the skills they need to get back on their feet.

We hope that the social security review will bring to light more interesting and creative concepts. It is safe to assume we will need flexible and responsive systems to meet the training requirements of the Canadian workforce.

In the final analysis, Canadians want a system that works. We know that success in advanced technologies is the key to a prosperous and caring society. The key to future success is advanced education. Canadians must share in the benefits and costs of academic success.

We expect many more Canadians will enroll in our colleges and universities. Young and old alike will want the skills that keep them employed in well paying and challenging jobs. The social security review will examine anything that could contribute to this success. Together as partners, we can manage our educational resources to meet the needs of every student. When our students succeed their achievements benefit all of us.

The hon. member's motion has illuminated one possible response to the need for fair and effective student loans. Through this debate within the context of the social security review and elsewhere we will continue to seek out, listen to and investigate every possible means by which Canadians can build prosperous and productive futures through training and education.

The Deputy Speaker: There are approximately seven minutes left. The hon. member for Capilano—Howe Sound has approximately seven minutes. He will have three minutes in the next two-hour session.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the Minister of Finance this week like never before cut through the traditional Liberal ideology and wishful thinking when he warned that spending cuts are needed or the country will go bankrupt.

The search for such cuts is now on. I predict confidently that the post-secondary education sector will not be spared such cuts any more than any other of the many worthy spending programs in our society except those serving the truly needy, handicapped and aged.

If this education sector joins all the other recipients of government funds in the traditional refusal to accept cuts and the government accedes to their wishes, the coming financial crisis very soon will make the recently proposed cuts seem trivial.

Under either scenario, I believe that it is in the self-interest of the higher education sector to consider methods for dealing with the coming financial difficulties.

I recommend this course of action because I am totally convinced of the economic and social merit of higher education. How could it be any other way after 30 years of university teaching, the experience of having seen first hand many generations of young people gaining knowledge and maturity that prepared them for successful careers in their lives. I do so because I am a realist and I wish to see a continued, strong higher education industry in Canada.

(1435)

The financial innovation that will help this sector overcome the upcoming financial problems is found in the private member's bill for the establishment of income contingent student loans which we are here to discuss today. What are these innovative types of loans? The idea is simple. Students receive government loans that they can use to pay tuition at institutions of higher learning. The loans plus accrued interest are repaid in instalments once the borrowers have reached a specified level of income. Revenue Canada would serve as a collection agency at low cost.

Detailed legislation has to address a number of important characteristics of this system such as the maximum amount a person can borrow, the interest to be charged, the income threshold when repayment starts, the period of required amortization which determines the maximum annual income tax surcharge.

While one should never underestimate the devil that lurks in these details, enough research and practical experience with the principle of income contingent loans exist to make me confident that it is workable, efficient and equitable. The program would give students the ability to pay more of the true cost of their education. Institutions of higher learning could use this ability to recover more of their operating costs, replacing the funds lost as a result of the government's present financial problems.

Students certainly will not like having to absorb more of the cost of their own education. I would be very disappointed if they did not launch massive protests and repeat all the old chestnuts about the unfairness of it all, how it prevents those with low income parents from obtaining higher education and so on. I sympathize with these students. They have had a good deal for a long time and very few people will want to give it up when they have had such a good deal.

I enjoyed having these benefits when I was a student. The time of free lunches and good deals is over. I wish it were not so, that we could go back to the past when the taxpayer paid the full fare. No wishing will bring it back. The country is heading for bankruptcy and students will have to share in the burden of preventing this untold disaster. Do not shoot the messenger.

A few facts should be considered by those concerned about the fairness and efficiency of the proposed system. Canada devotes a large amount of resources to higher education. The direct and indirect annual costs are about \$15,000 per student per year which in total are exceeded only by the costs of health care.

There are over 100 universities and other institutions of higher learning for 29 million Canadians. Nova Scotia has 32 university places per 1,000 population. Analogous figures are 21 for Ontario and 13 for British Columbia.

As a result of past investment in higher education 17 per cent of Canada's population hold university degrees. This compares very favourably with 7 per cent in France and 8 per cent in the United Kingdom.

Students should also consider the following fact about their ability to pay a larger share of the true cost of higher education. I am sorry, I have to wind down. I will have to continue next time, but the point is that the private rate of return to higher education is—

The Deputy Speaker: Thanks to the graciousness of the parliamentary secretary, it is proposed that we not see the clock. Is that agreed?

Some hon. members: Agreed.

Mr. Grubel: Mr. Speaker, I really appreciate the generosity of the members opposite.

Census data show that Canadians with bachelor degrees on average earn higher incomes than Canadians with lower levels of educational attainment. The present value of these lifetime income premiums is much greater than the costs involved in obtaining the degrees. These costs consist of tuition fees at recent levels, costs of books and supplies and, quantitatively dwarfing all the other costs, the earnings forgone while in university.

The rates of return on these investments in recent decades have been about 7 to 10 per cent. This is a very good rate of return. It is capable of absorbing very substantial increases in tuition costs without becoming less than the real long run rates of return available in financial market instruments.

Students concerned about the fairness of our society's spending and taxation system should be aware that the vast bulk of university graduates come from families in the middle and higher end of the income distribution. Yet a substantial proportion of the tax revenue used to pay for their education is collected from Canadians with lower incomes. In effect, the present system forces low income earners to subsidize those with higher incomes to get their university education.

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The proposed system will correct this inequity. Middle and higher income families will pay a larger share of the higher education benefits they receive. If bad luck prevents them from enjoying the benefits of higher education, these students will not have to repay.

Students concerned about the access of the poor to higher education are reminded that under the present system the poor are often excluded because they do not qualify for fixed repayment loans. Under this system, no questions are asked and they will have access without any difficulty. They have to repay only if they are able to do so.

Finally, I would like to raise a point that is not often discussed. Under the present arrangement, students' choices are severely limited. Programs offered by state monopolies of higher education have been slow to react to the demands of students in a changing world. It is well known that the solution to these problems lies in the use of vouchers, that is, non-repayable certificates given to students and cashable at institutions of their choice. The Reform Party supports the use of such vouchers and the resultant empowerment of students.

The income contingent loans program moves the system closer to the ultimate goal of vouchers. It similarly empowers students to obtain study programs that they like rather than those that professors and bureaucrats think they should like. By spending their loan money in institutions of their choice, they encourage them to grow and force others to shrink. Since they spend their own repayable money, they have the proper incentives to make wise choices.

The time for income contingent loans for students in higher education has come. This proposed system offers an efficient and equitable way out of the problems created by the country's financial crisis.

I hope the government will take note of this private member's bill introduced by the Reform Party and debated today and that it will offer promptly legislation to put it into effect.

The Deputy Speaker: The Chair would thank the members for their co-operation and assistance to the member who just spoke.

The hour provided for the consideration of Private Members' Business has expired. Pursuant to Standing Order 93 the motion is dropped to the bottom of the order of precedence on the Order Paper.

The House stands adjourned until Monday at 11 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 2.44 p.m.)

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