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Monday, March 20, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Monday, March 20, 1995

The House met at 11 a.m.

Prayers

[*English*]

POINT OF ORDER

RAIL STRIKE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, in light of the very serious rail strike that is currently tying up the rail system in our country, I seek the unanimous consent of the House to introduce a bill, notice of which was given Sunday morning by means of a special Notice Paper, entitled an act to provide for the maintenance of railway operations and subsidiary services.

I seek the unanimous consent of the House to permit the bill to be introduced and given first reading at this time.

Mr. Speaker: My colleagues, I wish to inform the House that in accordance with a representation made by the government, pursuant to Standing Order 55(1), I have caused to be published a special Order Paper giving notice of introduction of a government bill. In just one moment I am going to lay upon the table the relevant document.

However, I have a point of order from the member for Kingston and the Islands. Is there any comment? I invite comment only for the reason that I thought the hon. member for Laurier—Saint-Marie was rising to his feet before I put the question. There being no comments, is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: Unanimous consent is not given for the introduction of the bill at this time.

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(1105)

[*English*]

GRAIN EXPORT PROTECTION ACT

The House resumed from March 2 consideration of the motion that Bill C-262, an act to provide for the settlement of labour disputes affecting the export of grain by arbitration and to amend the Public Service Staff Relations Act in consequence thereof, be read the second time and referred to a committee.

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I have the honour and privilege today to speak to a bill introduced by the member for Lethbridge. The bill seeks to make it illegal for anyone, employee or employer, to cause any cessation of work at any stage of the progress of grain from the premises of the producer of the grain to export.

It should be obvious that the bill would affect a large number of Canadians, indeed everybody who comes near the grain, from the farmer who grows the grain to the trains and ships which carry the grain. It would directly affect my riding of Erie whose economy includes the entire spectrum from grain production to the marine industry.

I wish to focus on one aspect of the bill and what it brings to the labour relations atmosphere with the government's own employees. That is the provision in the bill which would amend the Public Service Staff Relations Act by adding new criteria, limiting the right to strike.

The bill seeks to add to the Public Service Staff Relations Act in section 2 and subsection 78(1), words which have the effect of prohibiting employees from engaging in any strike activity in areas related to "the orderly progress of grain from the premises of the producer of the grain to export".

When the Public Service Staff Relations Act was introduced almost 30 years ago, legislators included a unique concept to labour legislation. This was the notion of designating employees as essential and denying them the right to strike. That is to say that employees whose duties included functions which were performed in the interest of the safety and security of the

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Canadian public, those employees could not engage in a strike. If one was to search the Canada Labour Code or other labour codes, one would not find many examples of such a concept.

In my opinion, this is a good, reasonable and justifiable concept. Employees of the federal government and numerous other federal institutions should not be in a position to withdraw services which would cause harm to the safety or security of Canadians.

This provision has stood the test of time. When public servants engage in strike activity, a number of their colleagues continue to work and provide essential services to the public. The last public service strike provided us with many examples of this provision.

Both air and marine search and rescue operations continued. Ice breaking continued. Mariner's charts and maps continued to be produced and updated, and the all important function of providing notices to shipping carried on. As well, the fisheries patrols were maintained and employees involved in this function continued to provide a service to the public.

Air operations continued and airport facilities were maintained. Weather observations continued. Forecast were prepared and communicated to users. Of great comfort, notification bulletins affecting aviation safety continued to be produced and disseminated.

Naturally prison guards and correctional services are deemed an essential service and continued to perform their tasks. All those employees, including those who provide care and security for inmates, medical care, food, heating and all those functions necessary to maintain the system, continued to perform their duties.

Health care was maintained by designated employees in such areas as poison control, hazardous product identification, medical support at federal hospitals, ambulance drivers and dental and chronic care in isolated areas. Also designated were some employees who were involved in research related to health care which used laboratory animals.

Essential to Canadians, income security programs such as UI, family allowance and the Canada pension plan continued. This included the processing of new claims as well as issuance of benefits.

Employees involved in customs and immigration control remained on the job. Included among these essential jobs were employees responsible for the primary inspection of meat and fish products imported to Canada.

Not surprisingly, the provisions of the Public Service Staff Relations Act also precluded those involved with national security from striking. Included among these were the civilian and federal employees who provide support to RCMP operations.

Of interest to members, parliamentary operations were designated an essential service. *Hansard* continued to be printed, along with commission reports and other parliamentary publications. As well, simultaneous translation services continued to be offered.

These are some of the examples of services considered essential for the safety and security of the public, and for which the public service employees could not withdraw services.

The central theme throughout this list is: these services are essential for the safety and security of the Canadian public. It is evident that the current provisions of the Public Service Staff Relations Act have by and large served the Canadian public well. By tinkering with these provisions and including the notion of economic hardship in the grain industry, are we trying to fix what is not broken?

It is an unfortunate but accepted reality that strikes will cause inconvenience and maybe even economic hardship to some. If we are to accept that employees have the right to strike to put pressure on their employer, then we must accept the results. If it is our view that strikes should not cause hardship to anyone, then it is my suggestion that all strikes be declared illegal.

(1110)

This bill starts along this road. It is heading toward a destination that can only bring grief to employer-employee relations in the country. I would not argue that the movement of grain is not important to Canadians. Obviously it is. However, I do not believe that the production or movement of grain is essential for the security of the public. The movement of grain is, like many other commercial activities, an important economic activity in the country.

If we were to introduce the idea that there can be no strikes or lockouts in the grain industry which sector would be next? Is it the auto industry? Is it the shipping industry? How about forestry services? In certain sections of the country ore production is extremely important. Should we consider banning work stoppages there? If we are to use economic criteria I am confident that every member of the House could cite an enterprise worthy of consideration for a bill such as this.

I would like to remind members that in many jurisdictions police are given the opportunity to withdraw from their jobs. Medical practitioners and teachers also have this ability.

As I mentioned, if we accept that employees have the right to strike and to exert pressure on their employer, then they must be permitted to do so. The introduction of a provision in the Public Service Staff Relations Act prohibiting strikes in one specific area, be it grain handling or some other industry, begins to erode this right. Employees either have the right to strike or they do not.

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The provision restricting the right to strike in the federal public service to those performing services essential for the safety and security of the public is a restriction but I think it can be reasonably argued. In addition, this provision has been in place for almost 30 years and still allows the public service employees to withdraw services. As we saw during the last public service strike, employees still have the ability to exert considerable pressure on the employer.

Seeking to expand restrictions to cover economically important services, first one and then many other industries or activities, will ultimately remove the right to strike effectively.

I can envisage the time when any strike which puts any pressure on any employer or others will then be proposed for exclusion under public service staff relations and the Canada Labour Code. Legislators will slowly and painfully remove the right to strike from any employee as a means of exerting any pressure at all. Is this what our country has to offer its workers and its representatives? I think not.

The introduction of further restrictions to the right to strike will, without any doubt whatsoever, worsen labour relations in the country. As we all know, these relations are already strained. It is my personal belief that after a number of years of difficulty it is time for all parties to labour relations to bring a positive and constructive approach to them for the future.

Times are changing and everybody must change with them. I do not feel that the way to begin a positive and co-operative renewal of labour relations is by introducing legislation which begins to erode what labour considers a basic right. If we are going to give labour the right to withdraw services in order to exert pressure in collective bargaining, then we must allow this withdrawal of service to have some effect. We either fish or cut bait. To carry the analogy further, we cannot tell employees that they can fish but they cannot have worms.

I am sure the member for Lethbridge did not intend anything sinister but was simply advancing a proposal which would protect the interests of the grain industry and this is to be commended. However, I believe the results of considering this bill cannot but lead to other interested parties looking to protect another and then another and no doubt an important industry through labour legislation. While the reasons for desiring protection from strikes or lockouts are noble in themselves, we must look at how we propose to do this and the results such a proposal would bring.

In conclusion, while I agree with the member that the grain industry is important to Canada, as are many other industries and activities, I cannot accept the notion that Parliament legislates protection at the expense of the rights of other Canadian citizens. Despite what I believe are good intentions, the results would be inappropriate and I cannot support the bill.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I listened with great interest to what the hon. member had to say, and I realize that the grain industry is very important to the Canadian economy and to western Canada in particular. But I would like to say that grain is surely not more important than the lives and health of our fellow countrymen.

(1115)

But people's lives and health, and these are under provincial jurisdiction, can also be affected by a labour dispute. What was the best solution found after a lot of research and trial and error? In order to strike a balance between the right of workers to strike and the priority right of individuals to health and safety, it was determined that the best solution was to establish the principle of essential services. Essential service does not mean the right to strike is taken away.

Those who dream of the day there will be no more strikes should realize that taking away the right to strike does not guarantee there will be no more strikes. In fact, history has shown that before the right to strike existed, there were many, extremely rough strikes, for the simple reason that there was no legislation. The strikes were there before the right to strike. If we want labour relations to be more harmonious, if we want grain and health to be priorities, we must ensure that labour relations are more conducive to dispute settlement.

We must not forget that, especially at a time when for more than ten years, in many cases, workers have had to tighten their belts, make all kinds of concessions and pay more and more taxes, when the economy starts picking up, these workers would like to have their modest share, at least. We must not forget that in this country, we see executives of private companies getting outrageously high salaries and benefits, although they are hardly as productive as Japanese companies. In Japan, the gap between the salaries or incomes of executives and employees is much narrower than in this country.

We cannot afford an economic model where executives can earn whatever they please and workers will just have to tighten their belts and watch others take their share of the profits. We must not forget why we have labour legislation. We have labour legislation because we had to deal with the flagrant injustice that existed at the time. And if we think that bringing all this back will lead to prosperity and harmonious labour relations in this country, I have got news for you. It will not happen.

The Deputy Speaker (Mr. Kilgour): As we are at the beginning of the week, I would ask each of you, in so far as you can, to co-operate and always address your remarks to the Chair.

Mrs. Lalonde: Clearly, I could not use these words in reference to you. This is not news for you, because you already know full well that this sort of unfair situation cannot be allowed

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to develop so blatantly on the assumption that the workers alone will always be asked to contribute an ever increasing share.

Today, tomorrow and in the coming days, we will be talking about railway workers. We will see that they too, with each successive collective agreement, have had to forgo working conditions they previously enjoyed. This is the truth. They have done so in order to take refuge in what they considered essential in a time of unemployment—a sort of job guarantee.

(1120)

And now, because the employer is not budging—and we will have to see what the government does in this—we are about to see these workers as well lose some of their working conditions.

As regards this particular bill, I understand and I share the desire for harmonious labour relations. However, when it is unreasonably assumed that the right to strike may be withdrawn without provision being made for sufficient means to settle working conditions, I do not expect grain transportation to be harmonious and secure. This will not be the case. History has shown us that this has not been the case in the past; it will most likely not be the case in the future.

I would add, particularly since the government has not seen fit yet to propose anti-strikebreaking legislation, which would allow re-establishment of a balance of power. If we want to establish labour relations, and in the area of essential services as well, which permit a balance—and not only the appearance of a balance but real healthy labour relations—attention must be paid as well to the balance of power. Many provinces have a provision for this, and it has proved its worth.

As for our case, the work that remains to be done at the federal level to ensure labour relations that permit public enjoyment of the services they are entitled to, but without the cost of the cuts we must face being passed on to the workers concerned, will involve paying greater attention to finding this balance. This is the only way to ensure that the same protection accorded to grain in Canada is accorded to health and life in the provinces.

[*English*]

The Acting Speaker (Mr. Kilger): To meet the test of fairness and the spirit of fairness I must humbly submit that I failed to recognize the proper sequence of speakers, not having taken into account all the speakers who spoke previously in this debate.

For the next two interventions I will go to the Reform Party if there are two speakers. Then I will be back on track.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, today, March 20, 1995, marks a very troublesome day for those who depend on the railways and for those who must use the port of Montreal to get their products to customers.

Canadians are feeling the full effects of strikes and lockouts, and back to work legislation for the railways is in the works. We have been in this situation before. Last Wednesday we sat late debating Bill C-74, back to work legislation to settle the labour dispute on the west coast.

A little over a year ago we also debated back to work legislation with Bill C-10 to handle a similar dispute which lasted for 12 days.

Unfortunately these are not isolated incidents. Canadians have felt the effects of similar disruptions many times. I believe 13 have ended with back to work legislation in the past 30 years.

Unless both sides in the CP Rail dispute can reach an agreement some time very soon, we will be debating back to work legislation again today, tomorrow or soon.

I find it ironic that components of the grain handling and transportation system are consistently treated as essential services when work stoppages occur. I am here today to ask the government not to provide essential service legislation. I am asking the government to carefully consider the very positive impact of Bill C-262; the impact it would have in ameliorating recurring problems between labour and management.

(1125)

Currently there is no effective collective bargaining taking place between labour and management. Both sides know they can depend on government to legislate them back to work. Let us not pretend we have productive collective bargaining taking place right now. We do not. Let us end the charade and do what Reformers called for in last year's emergency debate and what the hon. member for Lethbridge is currently calling for in his private member's bill, Bill C-262.

Bill C-262 provides a tool for both labour and management to prevent these disruptive and expensive work stoppages which affect people all across the country when they occur. The current work stoppage at CP Rail and at the Montreal port would not have happened if Bill C-262 were in place. These disruptions in grain handling and grain movement and in the movement of other goods must not be allowed to continue.

The collective bargaining process must be allowed to work where it can work. In the vast majority of cases, in situations between labour and management, they do reach agreement and the process works fairly well. In other cases the process does not work well. When this happens labour and management both lose. Unless an agreement is reached the operations will close down.

The case of grain handling and shipping is unique. It is unique because the cost of a disruption can and will be borne by farmers in three ways. First, added costs cannot be passed on to the consumer because farmers are price takers in a very competitive marketplace. Second, there is a loss of revenue in present sales

and, more important, in future sales through the loss of long term customers. Third, farmers have no real alternative. They have no way to get around the system. They must ship through the rail transportation and grain handling systems currently in place. They cannot choose to use another system which is offered by someone else because it does not exist.

That is why work stoppages should not be allowed in the grain handling system. I hope the hon. member for Mercier will now understand why stoppages in the grain handling system are so important and why they are every bit as important as the welfare and health of members of labour unions. The welfare and health of farmers is directly affected by these work stoppages. This is coming from someone who has lived and worked in agricultural communities through these disruptions over the years.

The extra stress caused by farmers being deprived of income makes one of the most dangerous businesses in the country today even more dangerous. By allowing these disruptions to happen continually farmers' health and welfare is affected every bit as much as members of the labour unions. I hope the member will now understand that the concerns of farmers and the stress and the danger to their health are every bit as important as that of labour union members.

How do we deal with the situation in a way that is fair to labour, to management, to the all too forgotten party, grain farmers, and alfalfa shippers and other shippers? Bill C-262 provides a solution through final offer selection arbitration. This process is triggered upon request by one party if the parties concerned are unable to reach an agreement through the collective bargaining process. The key features of this process as outlined in Bill C-262 are as follows.

The trade union and employer are requested to provide the minister with the name of a person they jointly recommend as arbitrator. The trade union and employer are required to submit to the arbitrator a list of matters agreed on and a list of matters still under dispute. For disputed issues each party is required to submit a final offer for settlement.

(1130)

The arbitrator then selects either the final offer submitted by the trade union or the final offer submitted by the employer. In the event that one party does not submit a final offer, the other party's offer is automatically accepted. The arbitrator's decision is binding on both parties.

As you can see, final offer selection arbitration does not prevent the collective bargaining process from following through to a conclusion. It simply speeds the process up. However, it does prevent the very few from doing unacceptable damage to so many.

There are the other workers and the loss of work and income for the other workers shut down by the stoppage. There are the

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other businesses involved in grain handling and movement. There is the damage done to business enterprises and Canada's now faltering reputation as a reliable grain exporter. There are the farmers who must shoulder most of the costs for short and long term damage resulting from lost markets. They have no way of passing those costs on to the consumer or of recouping those losses.

Legislation that provides a long term solution to this problem should have been passed years ago. In this regard I would like to pledge continued leadership by Reform members of Parliament in continuing to press for long term solutions to this and similar problems in the grain handling system.

We cannot afford to have disruptions continue in the grain handling and transportation systems. I am asking for support for Bill C-262. Indeed in the past, several members of the government side and others have provided support for final offer selection arbitration.

I do not have time to read all the quotes, but these quotes are from the Minister of Agriculture and Agri-Food himself, and the Minister of Human Resources Development, and from the chief commissioner of the Canadian Wheat Board, Lorne Hehn. He stated that the grain industry cannot afford any more strikes and lockouts and said: "We cannot afford to shut down a multibillion dollar industry for the sake of a few people. I think that we have to do something about this situation".

Mr. Hehn went on to state that he would favour a first offer selection. "If an agreement could not be reached through the collective bargaining process," he said, "I think that would bring people to the table in a more honest fashion. We could settle these things without shutting the system down". I believe this first offer arbitration is much like the final selection process we are proposing here today.

The senior grain transportation committee voted on October 14, 1994 to support a system of final offer arbitration. It is down in black and white from members of this government.

The most effective way I can present the importance of stopping these disruptions in the future comes from farmers. My father lived through these disruptions in his farming career and each time I saw the stress and the pain. I know the hurt that caused him and his neighbours. As for myself, in my farming career I have lived through several of these disruptions. I know the pain and the loss these have caused my neighbours and myself.

Finally, I would like to stress that it is not only labour unions that are being tough on this issue. Farmers have threatened in the past—and there could come a time when this will happen—to take over the process of grain movement in any way they can on their own. Farmers will not let these disruptions continue indefinitely. They must stop. I encourage this government to

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support Bill C-262 to ensure this is the end of these disruptions in grain handling and grain movement.

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, I am very proud and honoured today to rise in this House and give my full support to Bill C-262 which was presented by the hon. member for Lethbridge.

The timing of this particular debate in the House is absolutely perfect. We are sandwiched between back to work legislation which occurred last Wednesday and certainly the potential of another forthcoming round of back to work legislation in the rail industry. We could not have asked for a better time to talk about this ongoing problem which has occurred many times in the history of western Canada as far as the agriculture business goes.

(1135)

Today I would like to do something just a little bit different. Rather than dwell on how the innocent third party is affected by this proposed legislation, I would like to look at all aspects. I would like to look at how this would affect labour and management and also of course, how it would affect the third party, in this case, the shipper.

I want to talk about how this would affect the shipper in this case. In my position I am most familiar with how it would affect the agriculture industry in Saskatchewan particularly in Moose Jaw—Lake Centre.

I want to look back at the labour dispute in Vancouver a little over a year ago. We looked at something like 11 days of tie ups. The grain industry never recovered all summer from that labour dispute. I know that firsthand. I live about two and a half miles from the grain elevators in my home town and our community never recovered and Saskatchewan never recovered from that short labour tie up.

I also looked at some of the evidence I received in the last few days. There is a statement from Mr. Blair Wright of Olds, Alberta, an alfalfa dehydrator. He said that his company was just beginning to make inroads to Japan. He estimated that he lost \$500,000 in revenue during that shut down in Vancouver last year.

He also said that the Japanese businessmen he deals with stated they cannot understand why Canada allows such destruction of its export business. Mr. Wright is obviously concerned that he will lose his Asian markets entirely for this emerging product. He also stated that the American ports on the west coast are actively promoting their continuous delivery to Asian markets. The port of Vancouver has the potential to lose major customers if this government does not take legal means to prevent further labour disruption.

I also talked to alfalfa dehydrators in Saskatchewan last week. They told me that a labour dispute of one week is an annoyance. A labour dispute of two weeks inflicts serious pain on their industry. Anything longer than a two week labour dispute is a complete disaster to the industry.

With regard to things like canola prices, although they may not be directly affected, on Monday, March 13 the price of canola was \$9.44 in my hometown. By Wednesday morning it had dropped to \$9.20, a drop of some 24 cents. Is that directly related to labour problems? Perhaps some of it could be related.

Having said that, I look at the innocent third party, the shipper. I know this piece of legislation would do the job to alleviate those types of problems and frustrations. I look at labour and the unions. There have been arguments in this House that it is not fair to labour to have final offer selection. I do not agree with that. I see what long term labour disputes do to labour. I have seen it in my home area of Moose Jaw.

There have been two major strikes at Moose Jaw Sash and Door. The people were on strike or locked out for more than three years. The company ended up closing its doors. Did that help labour? No.

Moose Jaw meat packers were on strike for some 18 months recently. I had the opportunity to drive by their strike location many times. These people were playing horseshoes and cards because there was no work to do. Did that help those people? No. The labour dispute did not solve one thing for labour in that instance. I talked to many people on the line. They were willing to go back to work. They wanted to go back to work, to some real work. There is no way in the world they could ever hope to recoup any of the financial loss they faced by being out on strike for so long.

Looking at that, labour is in a no win situation. In a discussion paper written by Mr. Errol Black and Mr. Jim Silver, they quote the idea of final offer selection. They say: "The fact is that final offer selection is aimed at a real need, namely, the problems of workers in weak bargaining units".

(1140)

They go on to say: "Final offer selection provides such workers with an alternative to strikes which they have little chance of winning. Any repeal of final offer selection", which by the way is in place in Manitoba, "and this problem—unionizing and winning gains for workers in weak bargaining positions—will remain". This is more evidence that long labour tie ups have a harmful negative effect on workers.

I want to talk about management, or the businesses and companies. When they face long term labour disputes either by strike or lockout it really disrupts the orderly flow of any product. Again, in this case I look at agriculture products from Saskatchewan to either Vancouver or Thunder Bay. When we see

a tie up like that, there is no way in the world to recoup financially those losses faced in a very short period of time.

I look back to last year's labour dispute and remember talking to people in the grain industry. They said there was no way in the world they could catch up to what they had lost in a very short time. Those effects are felt immediately.

I spoke earlier about the labour dispute at Moose Jaw Sash and Door. That company was locked out and on strike for so long that it closed its doors. The company is no longer in existence. Did that solve any problems for the good of business? I do not think so. That is why we have to look at some alternative to bring this thing together so that we do not have these problems as time goes on.

If we talked to all three parties we could sell them on the idea for final offer selection and for this bill. In my mind, as a farmer from central Saskatchewan, as my colleague mentioned before, I have seen the effects firsthand of these types of labour disputes. We never recover from them.

My colleague across the way said we cannot call this an essential service. I am not calling it an essential service, but it is essential to the livelihood and future of those people in my province. Their financial lives, perhaps not their physical lives, depend on getting their products from their farm gate to the port. That is the way we do business in Saskatchewan. That is the way we make our living. If that is interrupted then it is essential in my mind because it has a very far ranging, serious effect on my livelihood.

In conclusion, again I would urge all members of this House to support this legislation. It is the first real positive step I have seen since I have been in this House to eliminate a big, broad problem with a wide ranging approach, a fair approach and an approach that makes a lot of common sense to me.

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, it is my privilege and pleasure to rise this morning and speak on Bill C-262 which is before the House. As a former member of a trade union for many years, I find it interesting that this bill would be put forward at this time, although the issues before us are very serious.

The bill calls for amendments to some sections of the Canada Labour Code which impact labour dispute settlement mechanisms. Specifically, the title of the bill states that it is intended to provide for the settlement of labour disputes affecting the export of grain by arbitration and to amend the Public Service Staff Relations Act in consequence thereof.

I strongly suggest the bill is not appropriate both in the legislation and in its timing as it would introduce an unfortunate mechanism. The government is currently in the process of

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making unprecedented changes to the grain transportation system which will have far reaching effects, rather than bringing yet another complex mix and not bringing about the change we are looking for.

(1145)

This is not the way we want to solve the problems we are experiencing in the grain handling system. It is important to note that we already have the means to alleviate the problems. Recently introduced legislation meant that dock workers had to return to their jobs in Vancouver and grain and other shipments were moving.

The issue demands more than just a temporary measure. The labour minister has introduced a commission to study labour relations at established ports. The commission will look into the long term solutions to this dispute and similar ones in the future. The commission, I should add, is only part of the government's ongoing efforts to streamline Canada's grain handling system.

These problems do not go unnoticed. As a result the Minister of Agriculture and Agri-Food on May 16 gathered a group together to examine many of the issues. The group was formed to look at short term grain movement, the problems of long term resolution and of recurring difficulties. It included labour unions representing the grain handling and transportation system.

The movement of grain is not done in isolation by any one collective workers group. That is why the team approach has to be taken. For further proof we need only to look at the records or the grain shipments to many terminals in this crop year.

We recognize that we have had labour problems in the past with grain handling. I believe the way to resolve the problems is not by providing arbitration to prevent strikes and lockouts. Rather labour must be productive and constructive and become a partner in developing an effective process for the movement of grain.

There is no doubt that it is a serious problem. We are prepared to respect the collective bargaining process to promote co-operation between the parties in a dispute either through mediation or conciliation.

My colleagues at human resources development have indicated that 90 per cent of collective agreements referred to conciliation are resolved without a work stoppage. In instances that result in negative impacts on entire sectors the government has demonstrated as recently as in the past week it is prepared to step in and break deadlocks. As such there is no need to introduce amendments to the Canada Labour Code. If we look at the experiences of countries in which compulsory arbitration is widely practised we see that strikes continue to occur.

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Grain transportation is a very large and very complex industry involving numerous trades. For instance, 12 companies are operating terminal elevators, 14 companies are operating transfer elevators and 19 elevator companies are in the prairies. In addition we must add the two major railways that move our grain products by vessel to the Great Lakes and to our external ports.

Are we prepared to remove the collective bargaining rights of all these people? There is an enormous degree of complexity and we understand the concerns of all. To single out one group of men and women, the vast majority of whom have never had an industrial dispute through Parliament, strikes me as less than fair. Co-operation is the way to establishing partnerships fundamental to the economy and the well-being of society.

The adoption of Bill C-262 is not likely to produce results even close to what is desired. Rather I would suggest members support the efforts currently under way to reduce problems in our grain transportation system.

It is fundamental that changes have to take place in the western grain transportation system. These changes were recently introduced in the federal budget. They will create a less rigid and more responsive operating environment in which a faster, lower cost and more efficient system may evolve, the benefits of which will be shared by all.

Therefore, for all these reasons I do not feel I could support introduction of new legislation at this time.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, let me start by pointing out that I think it is important to put into context the whole debate about back to work legislation, the shutdown of the railway system and best offer arbitration.

Let me do so by pointing out that Canadian farmers are probably the best farmers in the world. They are the most productive and the most efficient. If it were just on that basis they had to make their living everything would be fine; they would be extremely prosperous and the country would benefit as a whole. However there are all kinds of other issues that raise their head and stand in the way of farmers actually being able to earn a proper living.

One of them is the trade war that seems to be ongoing with the U.S. and Europe. At the same time we have huge government debts and deficits that contribute to high input costs, high taxes and high interest rates which all conspire to make it very difficult for Canadian farmers to compete particularly against Americans.

Meanwhile we have farm institutions like the Canadian Wheat Board and the transportation system that are in desperate need of reform. There is tremendous pressure on the wheat

board to change, not only from Americans, our competitors, but from inside, from people who actually support the wheat board. They want to see change. The hon. member for Vegreville has been at the forefront of pushing for a democratic wheat board elected by farmers and with farmers on the board. That makes sense to me.

I want to talk for a moment about the history of the transportation system in Canada. Even when it is not shut down by a strike it is at best inefficient and slow. I do not know how many calls I have received over the last year and a half from people asking: "Why are there no cars at my elevator? What happened to my grain as it disappeared down the track?"

We need Bill C-262. There is no question in my mind. It is one thing the government can do to bring to an end the problem we face today. As fate would have it, we are debating Bill C-262 on a day when we have a rail strike in the country. It will also provide a long term solution.

I encourage the government across the way to set aside partisan differences, to consider what is for the greater good and to consider farmers across the country. Actually the unions and the employers will benefit by this type of legislation, by best offer selection arbitration. We encourage the government to set that aside and to join with Reform today, the hon. member for Lethbridge, to bring the whole issue to an end by supporting Bill C-262 and by bringing some sanity back into the transportation system.

The Acting Speaker (Mr. Kilger): It being 11.53 a.m., pursuant to Standing Order 93, the time provided for debate has expired. Accordingly the question is on second reading and reference of Bill C-262. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the motion, which was negatived on the following division:)

(Division No. 169)

YEAS

Members

Ablonczy
Brown (Calgary Southeast)
Forseth
Grubel
Hanrahan
Harper (Simcoe Centre)
Hayes
Hoepfner
Johnston
Mayfield
Meredith
Morrison
Ringma
Silye
Speaker
Williams—31

Benoit
Cummins
Frazer
Hanger
Harper (Calgary West)
Harris
Hermanson
Jennings
Kerpan
McClelland (Edmonton Southwest)
Mills (Red Deer)
Ramsay
Scott (Skeena)
Solberg
Thompson

NAYS

Members

Augustine
Bakopoulos
Bethel
Blaikie
Boudria
Belair
Calder
Cauchon
Clancy
Copp
Crawford
DeVillers
Dingwall
Duceppe
Dupuy
Fillion
Gagliano
Gagnon (Québec)
Godin
Graham
Guay
Harvard
Irwin
Jordan
Landry
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Loney
Maheu
Manley
McWhinney
Minna
Murphy
Nunez
Parrish
Peters
Pillitteri
Robichaud
Rompkey
Serré
Sheridan
Steckle
Telegdi
Vanclief
Walker
Young —91

Baker
Bernier (Beauce)
Bevilacqua
Bodnar
Brien
Bélanger
Catterall
Chrétien (Frontenac)
Collins
Cowling
Deshaies
Dhaliwal
Discepolo
Duhamel
English
Flis
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Goodale
Grose
Harb
Hickey
Jacob
Keyes
Lastewka
Lefebvre
Lincoln
Loubier
Maloney
McKinnon
Milliken
Mitchell
Nault
O'Brien
Paré
Phinney
Richardson
Robillard
Scott (Fredericton—York—Sunbury)
Shepherd
St-Laurent
Stewart (Northumberland)
Thalheimer
Venne
Wood

PAIRED MEMBERS

Asselin
Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Canuel
Chan
Culbert
Davault
Easter
Jackson
MacLaren
Simmons

Bachand
Bergeron
Bouchard
Caron
Crête
Dalphond—Guiral
Debien
Fry
Lavigne (Verdun—Saint-Paul)
Peric
Szabo

Tobin
Volpe

Ur
de Savoye

(1220)

The Acting Speaker (Mr. Kilger): I declare the motion negatived.

GOVERNMENT ORDERS

[English]

BUSINESS OF THE HOUSE

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, the paralyzing effect of the national railway strike requires urgent action by Parliament. Pursuant to Standing Order 53, I move the following:

[Translation]

That the forty-eight hours' notice be waived in order to permit the Minister of Labour to introduce immediately a bill entitled an act to provide for the maintenance of railway operations and subsidiary services; and

That the House not adjourn this day except pursuant to a motion by a minister of the Crown.

[English]

The Acting Speaker (Mr. Kilger): Debate is allowed for a period of not exceeding one hour.

[Translation]

Mrs. Robillard: Mr. Speaker, I would like to give members of this House the background which I feel is important regarding the negotiations in the railway labour dispute. As you know, most of the collective agreements, with very few exceptions, expired on December 31, 1993. Therefore, we have been without collective agreements per se since December 31, 1993, and negotiations have been ongoing.

We have tried to help the parties to find a solution. First, a conciliator was appointed, and then, in November 1994, my predecessor, the Minister of Human Resources Development, appointed a conciliation commissioner, Mr. Hope, to work out a solution with the parties. He submitted his report to the parties in February 1995.

(1230)

Since then, negotiations have continued, but they have been strained, and, as you know, the unions decided to concentrate their efforts on pressuring Canadian Pacific. Fortunately, last week, three unions, representing approximately 3,000 people, reached an agreement in principle and Canadian Pacific was able to continue all of its other activities.

Unfortunately, last Saturday, there was a full work stoppage at Canadian National and VIA Rail. Following this work stoppage, I called all of the parties, that is the three companies and the union representatives from these companies, to a meeting. I met with them yesterday afternoon and I asked them to resolve all of the issues in dispute, or, at the very least, to reach an agreement

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on the process which will lead to a solution to the dispute, which will be binding on the two parties.

I told them that the current government has faith in the collective bargaining process and, therefore, that we would regret being obliged to step in if the parties were unable to reach an agreement. I even advised them that it would be in the best interest of both parties, as much the companies as the unions, to agree at the very least on the process to be used to resolve the dispute, which would be binding on both of them.

Unfortunately, the parties did not come to an agreement, so that we find ourselves in this House at 12.30 p.m. on a Monday without any CN or VIA Rail services in operation as we speak, although some operations are still under way at CP. Even though some operations are affected, some others are still being carried out.

What is the impact of a complete work stoppage as we speak? Let us first look at the VIA Rail situation. The impact on the majority of passengers using VIA Rail services is, I think, quite obvious. I would remind the members of this House that VIA Rail serves at least 500 communities from coast to coast, which means that all its passengers have been paying the price since Saturday, especially those who commute to work by train. This morning, we witnessed the possible consequences for the population, especially in densely populated urban areas.

True, there are other means of transportation but when we look at what is happening, for example, around Toronto and Montreal, it is clear that not all passengers can be accommodated by public bus or even private car transportation. On this Monday morning, all these passengers, all these people were penalized by the work stoppage. I think that we should allow VIA Rail workers to go back to work as soon as possible, so that these people are no longer penalized.

(1235)

It is true that the situation is different at CP Rail. Canadian National is not an operation serving the public but rather providing transportation services essential to the Canadian economy.

Needless to say this will have tremendous financial implications for the various train transportation users and industries that ship their goods by train. Many Canadian industries depend on the railway system. The impact of this withdrawal of transportation services may vary from industry to industry depending on the availability of alternate means of transportation.

Of course, bulk commodity shippers in general—commodities such as sulphur, potash and grain as well as mining companies, major electrical household appliance manufacturers and car manufacturers—are the main users of the train system.

Many transport companies and associations, including the Canadian Industrial Transportation League, the Canadian Wheat Board and several car manufacturers, have indicated that a prolonged work stoppage would be extremely prejudicial to their operations.

It is clear that at the industry level, in various sectors like Western grain, this work stoppage may have a very major economic impact. As we speak, we are told that Canadian National is losing between \$9 million and \$10 million per day.

We can see right away how serious the situation is and how it can compromise this country's credibility as a reliable supplier, even on the export market. The impacts are tremendous. On the one hand, you have impacts affecting the public at VIA Rail and, on the other hand, economic impacts for several industries.

While we regret having to bring in back-to-work legislation—I repeat, regret, because we continue to believe that a negotiated settlement would be better—the government must assume its responsibilities and take action. That is why I hope that the opposition parties will realize what is at stake and give consent so that we can debate this bill today.

The Acting Speaker (Mr. Kilger): I simply want to clarify a point. Pursuant to Standing Order 53, the debate may not exceed one hour. No member may speak more than once, nor longer than ten minutes.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the Bloc Québécois is opposed to passing that legislation today. We are aware of the impact of a work stoppage in a sector such as railway operations. The minister said that Canada must be a reliable supplier and she also pointed out the economic consequences of such a conflict. However, she did not say anything about the plight of those who—and they did not do it for the fun of it—had to walk out under very unpleasant conditions.

(1240)

As far as I know, Canada has a labour code. If back-to-work legislation is tabled every time the Labour Code is invoked by workers who have no other means to negotiate a settlement, this means that the mechanisms required to ensure strict and fair labour relations do not exist.

What this bill really does is prove the employers right. I wish that were not the case, but just take a look at the newspapers and read the recommendations made by commissioner Hope, who reviewed the issue. He says that the employers were very uncompromising and that, in fact, the unions' demands were never taken into consideration.

It is very easy to speak against a given union or union member. However, let us not forget that company managers and

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executives often enjoy personal benefits, salaries, bonuses and stocks which do not make any sense and which do not exist in other countries. I always think of Japan, where the gap between employers and employees' salaries is much narrower than it is here.

Canadian workers are in a difficult situation. No one mentions the fact that, over the years, they waived many rights to preserve a single one: the right to a job. It is important that these workers can tell all Canadians that they made concessions, but that they are not prepared to lose the essential in an industry which needs skilled workers.

It is important to remember, although this is not necessarily popular, that workers have acquired certain rights and that, at the very least, they have the right to exercise this kind of pressure—not an easy thing to do—to show that they exist and to avoid being crushed by the system.

I would have liked to hear the minister talk about people. If the government decided to intervene every time certain behaviours were found to be harmful to the economy, it would often have cause to do so, not only in labour disputes. It would intervene in the case of companies whose practices do not promote productivity. Workers are not pawns, they are people. If a company is to be productive, workers must have working conditions that reflect a minimum of fairness, otherwise the cost will be far greater than that of a strike that does neither party any good.

(1245)

Yes, some workers are on strike, but others have been locked out. And others were swept along because they refused to cross picket lines. All things considered, we are not very happy about the situation.

However, this does not mean we should deny these workers their rights. Canadians should at least be told about the conditions they gave up for the sake of one, and that these workers should have access to a fair and equitable settlement. Today, we should confirm their right to use pressure to defend their position and to engage in free collective bargaining. Otherwise, if employers can always count on the government to deal with their problems, they will never agree to a fair settlement.

Sure, they have certain constraints. Sure, these constraints are genuine. But in a situation like this, there are always two parties, and employers cannot take the position that only their interests should guide Parliament and the government. For these reasons, because we want to encourage free collective bargaining, because we want workers to be able to stand up for their rights and because we want Parliament to respect its own legislation—I am referring to the Canada Labour Code—we will not agree to fast tracking this legislation today.

[English]

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, it is a pleasure to speak today. The whole transportation system in Canada being tied up is a matter of pressing concern.

These services are never considered to be essential until after the services are withdrawn. We are not talking strictly about a strike. We are talking about a work stoppage. A work stoppage can be brought about whether it is a strike or a lockout. Whenever I refer to this situation I am talking about the work stoppage. People will understand we have work stoppages taking place in two separate areas. One is the withdrawal of services and the other is an area where the people are actually locked out.

These work stoppages result in a lot of lost jobs. My friends in the government party have campaigned vigorously on restoring jobs. This is certainly an opportunity for them to put up in this case, put their best foot forward and come up with legislation that will put these people back to work.

This is a stop gap measure. This is not a solution for the long haul. My party has been encouraging the government to come up with some long term solutions. For labour and management to have the possibility of back to work legislation constantly a threat they do not exactly sharpen their pencils and come to their best position. A case in point is where we have these contracts expiring up to 27 months before the actual work stoppage takes place. That is not collective bargaining at its best. That is not the process working.

In the House on March 3 I asked the minister what she was prepared to do in order to come up with some long term solutions. I was assured the collective bargaining process was working wonderfully and could expect it to work that way in the future.

(1250)

Obviously it has not. Here we are once again trying to get unanimous consent from the House. I hope we do so we can get the parties back to the table, the rolling stock moving on the rails again, the passenger trains running again and the freight moving to its customers. That is of utmost importance. It is not just that we are looking at losses to farmers. We are looking at losses to farmers, huge losses, but there is a great spinoff of lost jobs as well.

Once these jobs are lost it will be impossible to get them back. Once the buyers of our services and our goods have decided they can get them from other sources it will take a lot of negotiation and a lot of proving that we will not put up with this kind of labour disruption in the future to prove to them that we are a reliable supplier of goods and services.

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The people in the Bloc seem not to support the notion of introducing this legislation. It is of utmost importance to introduce this legislation today. I call on my colleagues from the Bloc to give their consent to this legislation so that we can debate it properly and get the parties back to the table and the freight moving again. To do otherwise is partisan politics at its worst, not looking at Canada's overall benefit.

Our colleagues in the Bloc could easily dismiss this as one of Canada's problems. After all, their ultimate goal is to separate from Canada. They could implement any kind of labour legislation they like. I would plead with them to support the introduction of this legislation today.

I assume my colleagues in the NDP will not support the introduction of this bill today. It would be extremely difficult for them to justify to their constituents how they could hold up a bill for another 48 hours which would effectively bring to the market the goods their constituents are producing. This is an extremely costly situation. It is not just the direct jobs, but the spinoff jobs. The long term effect of this has not been addressed.

Many customers of Canada's goods in the past have put up with disruptions of this type and are counting on back to work legislation. If this is not dealt with, to get these people back to the table and to get these parties talking again and the stock moving at a reasonable pace, our customers will say this is the last time they are prepared to put up with this kind of here today, gone tomorrow freight service. They will start looking for alternate routes to ship their goods.

Mr. Lorne Hehn, chief commissioner of the Canadian Wheat Board, said we cannot afford to shut down a multibillion dollar industry for the sake of a few people. These services are never considered essential until after they have been withdrawn. Suddenly these are essential services.

When will this government come up with legislation to deal with these problems over the big picture, rather than this crisis management attitude?

(1255)

At the moment crisis management is something we must consider in order to get us over this hump. I implore the government to come up with similar legislation to what it so very efficiently defeated here, presented by my colleague in Bill C-262.

The senior grain transportation committee voted on October 14, 1994 to support a system of final offer arbitration for all labour negotiations affecting grain movement. I have heard some of my colleagues in the Bloc say this effectively bans the collective agreement process. This is absolutely ridiculous. It is an augmentation to the collective bargaining process. This is not something imposed on the partners in the collective bargaining process from on high. It is something either one of the parties can invite.

It induces those parties to come up with a reasonable offer, their best offer to begin with. Instead of having negotiations or pseudo negotiations for 27 months, as in the case of one union, they could get their heads together and figure out their final position and present that position to begin with, rather than to parley back and forth for 27 months without getting anywhere.

This is a controversial bill and some of my colleagues in the House are philosophically opposed to having this bill presented. I implore them to allow it to be presented. I passionately ask they allow first reading of the bill so we can at least debate it and get it on the floor of the House where it belongs and to do what we can to begin to replenish or regain our reputation as a reputable supplier of goods.

[*Translation*]

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, I would first like to thank the Reform Party members who have already indicated they would further support this bill. I would ask the Bloc Quebecois members to think a bit before maintaining the position they have taken.

I could talk to you today of the disastrous effects this crisis is having on large businesses such as General Motors, Hoechst Canada, Canadian Celanese, Ford and others, but who in this House is speaking on behalf of all Canadians, not just those in my own riding, who have no means of defence?

As we talk, Canadian National is, to all intents and purposes, closed down; so is VIA. Canadian Pacific is operating at barely 85 per cent capacity.

With each hour we waste, the impact grows more serious. Certain grain exports have frozen. Last week, the minister tabled a bill for a return to work in the port of Vancouver. It seems to me that the political stand taken by the Bloc Quebecois members will hamper the settlement of this dispute and an eventual return to work.

With the tabling of the budget, last week, I got barely one phone call in my riding. With this dispute, however, which has gone on for months already, I have received calls from all sorts of people, including ordinary businessmen and businesswomen who are unable to go and collect the raw materials they need and whose business, therefore, could well close tomorrow, because the production line is stopped. It seems to me the problem is serious, serious enough for us to give thought to it and to put an end to the dispute.

(1300)

Bloc Quebecois members accuse us of robbing these people of the right to negotiate. The bill that we are introducing today does not, as they claim, violate their freedom to resolve this dispute, when we consider that they have been trying to work their problems out for fifteen months now. It is true that they were

unsuccessful, however, this bill does not rob the various parties concerned of their freedom to go back to the bargaining table.

The minister herself made many personal attempts. Last night, she met with the three unions. Last night, the three parties admitted themselves to the media that they have come to a dead end. Is it advisable to wait another day or two? Is it advisable, as the New Democrats and the Bloc Québécois advocate, to vote against this bill simply in order to forestall the inevitable?

[English]

I would like to speak for the average Canadian who is affected, whether as a commuter on the Rigaud line or the Deux Montagnes line to Montreal, who relies on the rail service to get to work every day and who does not have the benefit of a second or a third car. Who speaks for them? Who speaks for the small entrepreneurs who are trying to get their imported goods off the docks in Montreal?

It is very easy to convene a press conference when you are General Motors or Ford Motor company. It is for those small business people that I feel we have to solve this problem.

It is true this has a tremendous economic impact, not only for the large rail companies but for the local economy in the Montreal area for which I speak with great vigour. The port of Montreal has paralysed shipments and the railway has paralysed shipments across Canada. I take my hat off to the Minister of Labour who has only been here a short while but has certainly been indoctrinated very quickly. She has done an excellent job and has introduced two very difficult measures.

As the minister said in her preamble, as a government we would have preferred not to introduce back to work legislation. It is always more desirable when both parties can agree. But both parties have not been able to agree. They have been trying for almost 15 months.

I would like to quote a report in this morning's *Gazette* by the federal conciliator, Mr. Allan Hope, who is quoted as saying: "All three railways have tabled extremely controversial and provocative demands that they see essential to their financial health and viability". He wrote in February: "It would be difficult to conceive of a bargaining initiative more likely to provoke an impasse". The parties have tried. Right now we are at a standstill. It is not going to get any better.

From talking to various people and watching television reports yesterday with stranded commuters about the threat of the possible shutdown of suburban railways, people will have more difficulty getting to work. I would ask all members on both sides of the House to support legislation so we can adopt it as quickly as possible.

It may not solve the deep rooted, underlying problems in the railway industry which we have discussed before. But I hope that despite this return to work legislation that all parties on both sides will continue to try to solve the long lasting dispute, put aside their differences for the betterment of the country, for the establishment of a reliable service that Canadians, importers

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and exporters, that small as well as large businesses can rely on. We do not have a law—

[Translation]

—like we have in Quebec, an act on essential services. It would be ideal if the federal government had similar legislation, but it does not.

(1305)

For example, when there are municipal disputes, basic services still have to be provided.

[English]

In this case we cannot provide a reliable service where there is ongoing, continual labour conflicts. It puts in jeopardy not only the economic viability of the country but the local economy as well. The local economy in Montreal has suffered enormously.

[Translation]

In closing, I would like to ask my colleagues from the Bloc Québécois to reconsider the impact which this dispute has already had and will continue to have on the province of Quebec and on the Montreal region especially and perhaps decide to vote in favour of this bill.

[English]

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I would like to register my objection to the process that is unfolding here this morning. I do so on the basis of the fact that the government has had an alternative in this regard for some time, ever since its election in October 1993. The government could have been moving on the policy front toward a transportation system or policy which would have reassured people working in the railways that there is a future for them and the railways in this country.

If rail workers had that assurance and did not feel that in some ways the rail industry was not targeted for total extinction or anything quite like that, but nevertheless not being enhanced by the appropriate policy decisions and therefore suffering over time continuous decline, then perhaps rail workers would feel more confident in their negotiations with the company in the context of negotiations about job security and employment security and a variety of other things. Because they feel that one decision after another seems to point to an increasing downsizing and diminishing of the role of rail transport in our overall transportation policy they are obviously not willing to accept that when push comes to shove it is their particular economic self-interest that has to be sacrificed.

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I will go back to something I said last week when we were debating back to work legislation. If there was a capital strike in this country, as there sometimes is in various ways, would we have an emergency debate? Would we have an emergency motion? Would we have long and sober debates on trying to make capital pay attention to the national interest and to the needs of the Canadian economy? It would be quite the contrary.

We are forever exalting such decisions as good business decisions that we have to somehow appease, the decisions that investors make, money speculators make, currency traders make or others make when they do not take the national interest into account and when they do things that destabilize the economy, put people out of work or advocate a high real interest rate policy that maybe causes people to lose their homes. All kinds of things happen because of the decisions that other people make in their economic self-interest and we simply say: "That is the way it is. That is the marketplace. That is life so get used to it. Let us see if we cannot do something to give these people what they want so they will not make these kinds of decisions".

When working people strike we see how important they are to the economy, do we not? The whole thing depends on day after day people getting up and doing their jobs, whether it is running trains, maintaining the tracks or whatever the case may be. But when working people strike all of a sudden the full force of the law is brought to bear on them.

(1310)

Opposition members of Parliament are expected to walk freely into the tent, consult with the government and then do whatever the government wants them to do. Two weeks ago if I had had an opinion on railway concerns I might as well have spoken it into the great white telephone, for all the attention I would have received from the government.

Now the government wants me to agree. Now it wants workers to agree. In the meantime it has no qualms about getting rid of the Crow rate, or deregulating, or privatizing CN or doing all kinds of things like that. That is okay.

It is in protest of that and not just on some kind of a principle having to do with back to work legislation that I object to the process this morning.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, since I am a former FTQ trade unionist, I must rise to tell you that compulsory back-to-work legislation does not solve the problems. I was active in the FTQ for 19 years. Despite the many laws passed at both the provincial and federal levels, the problems continue to exist and sometimes even get worse, because this is not the way to resolve labour relations problems,

especially since this goes against the principles adopted by the government and supported by both union and management.

The right to negotiate, which has been recognized by the International Labour Organization, the Government of Canada, the provincial governments, the employers and the unions, must be fully exercised. I think that until now, the unions did not have the opportunity to negotiate with the employers. I think that the companies have acted in bad faith toward the employees in these negotiations. The companies have tried to dictate the issues to be negotiated, to impose their strength and arrogance on the unions. The unions are not responsible for the negotiations dragging on, because it is the companies that want to go against the basic principle of job security.

No union or employee in the world can say yes to employers who want to cut thousands and thousands of jobs in an attempt to make mobility one of their labour relations goals. Workers want a certain level of job security and some protection with regard to their job descriptions. Of course, all strikes present disadvantages, but the right to strike is a universal right which is exercised in every country, including the U.S.

Disadvantages are part of the rules of the game which, again, have been recognized by international organizations, the employers, the government and the unions. I was surprised that the minister would make a speech on her bill but not say a word about the workers' legitimate demands or to condemn companies for trying to impose their views knowing that the government will protect them, this Liberal government is behind them.

We want these 7,000 workers on strike or lockout to also be afforded representation, to have someone speak on their behalf in Parliament. That is what we, the Bloc Quebecois, are doing and we do not want to debate this back-to-work legislation today. Even Commissioner Hope said, in his report, that the companies did not bargain in good faith. He did not use these very words but when he said that the companies are trying to impose their own agenda and ignore union demands, that is what he meant.

(1315)

I am surprised that the hon. minister did not say a word about labour relations in the rail transportation industry, not mentioning that problems exist and that the government has neglected to deal with them because the collective agreements expired on December 31, 1993. That is why I fully support the remarks made by our critic in this area, the hon. member for Mercier.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am delighted to stand in support of the government on this measure.

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It is very interesting that we should get this impassioned defence.

An hon. member: Why did you not vote on the other bill?

Ms. Clancy: I did not vote for that bill because this is a much better bill. If the member will read them both, he will see it. Perhaps that may be a difficulty for him.

At any rate, with regard to this legislation and the response of the official opposition, Her Majesty's Loyal Opposition, may I say that it is very interesting. I stand here as the member for Halifax, the city with the great port which needs the railway to ensure that the port continues to bring prosperity to the people of the metropolitan Halifax area, to Nova Scotia and to Atlantic Canada.

It is very interesting that we hear from the members of Her Majesty's Loyal Opposition all this rant about the workers. The hon. member for Bourassa who just spoke chose to come to this country and we are so glad he did. While we are glad he chose to come here in one way or another, the answer too is that he obviously chose Canada because of the way we do protect workers but we protect the peace, order and good government of this country as well.

A rail strike such as this is not the kind of protection or the kind of activity that means this country will continue to be prosperous. Look at a few of the things that are taking place because of this industrial action.

There is the loss of \$10 million per day to Canadian National alone, a permanent loss of rail traffic to truck, therefore sapping the financial viability of our rail system. As one of the members opposite actually said—and I agree, do not faint—once these jobs are gone, it is very difficult to get them back. There is also the adverse image of Canada as a reliable supplier to world markets, Japan, for example.

As I said before, the problems of the ports and most particularly the port of Halifax in my estimation is something we could no longer let go by the boards.

May I offer my congratulations to the Minister of Labour who has certainly come through in an amazing way. She has had her baptism by fire as a new member in this House. We on this side are very proud of the minister. We want to congratulate her. I certainly want to congratulate her on behalf of my constituents and the people of Nova Scotia.

She has been a lucid voice in an otherwise overly emotional debate. The minister stood up this weekend and prior to it and asked people to do the right thing, to think of the country as a whole and to come back to the table. Only when all else failed did she say that the answer was back to work legislation.

The minister met with representatives of all companies and unions to urge them to resolve their disputes, or at least to agree

on a binding process to resolve their disputes. When the parties reported that they were unable to reach such an understanding, when they reported that collective bargaining negotiations had reached an impasse, she knew that nothing could be gained by further delay.

Most of these collective agreements expired on December 31, 1993, well over a year ago. For some others it was as long ago as December 31, 1991. Extensive federal assistance has been provided to the parties including the assistance of conciliation officers and a conciliation commissioner. The process has been going on for well over a year.

(1320)

This government acted and will continue to act in the best interests of the people of Canada. It does not act with a hidden or secret agenda. It is absolutely necessary that the railway business continues, that it goes on for the proper commercial work to be done in this country. Whether one lives in my riding of Halifax with a port, or anywhere across this great country, the railway has been and will continue to be an absolutely essential link in the commerce of Canada.

To do this is not in any way, shape or form—as has been suggested in a manner I find distasteful—contrary to the interests over the long term of Canadian workers. It is not so and cannot even for a moment be considered to be so because the health and prosperity of this country is the first and foremost concern of this government, beginning with the Prime Minister and working down to everyone who sits on this side of the House.

Action on the railway bill is absolutely urgent because CN is shut down, VIA is shut down, and CP is operating at 85 per cent capacity or less. The impact grows with every day and every hour. That impact is bad for every Canadian from coast to coast.

Grain shipments are compromised. Auto plants depend on just in time deliveries that will not make it. Layoffs can be expected to start today. That is not very good for the workers of Canada. I would like to know what my hon. friend on the other side would say to that.

Raw materials movement will be minimal while this goes on. As I said before, our reputation as an exporter is at stake. That is certainly not good for anyone who works in this country, be it someone who labours in the particular field or be it a member of Parliament. People are affected, especially commuters around Toronto and Montreal. With 50,000 who use commuter rail every day, the result is traffic chaos in two of our major cities.

Is there any value to waiting any longer? The process between the parties is at an impasse. Negotiations, as I have said, have gone on in the shortest of cases for over a year, in the longest for over three years. There have been conciliation officers and a conciliation commissioner. The minister has listened and has

Government Orders

made a decision. The government and members on this side of the House support her decision and we will continue to do so.

This is an absolute necessity for the people of Canada, for the health of this country. I am proud to stand and support this legislation, to support this government, and most particularly to support our newest Minister of Labour.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I am somewhat disappointed by the hon. member's comments to the effect that the member for Bourassa was not born here, but came to Canada later. She wondered if he was aware of the working conditions here.

I believe he was very aware of those conditions; in fact, he probably knows them better than she does. It is deplorable that such a distinction be made by a member of this House.

As regards the port of Halifax, I want to point out that the Bloc Québécois took the same stand in the case of both Vancouver and Montreal harbours. I did not hear the hon. member allude to the port of Montreal, where a lockout has been in effect for some ten days now. Is this because it was just fine with the people in Halifax? Some of her Liberal colleagues told me: the strike or lockout in the port of Montreal can go on because, in the meantime, Halifax is doing very well. Things were going well, but this is no longer the case.

In Montreal, the union proposed to go back to work if a mediator was appointed. Last Wednesday, the labour minister promised that such a mediator would be appointed, but she has not done so yet. Part of the problem in Montreal is that one employer, Calmar, which belongs to CP, refuses to let normal activities resume in the port of Montreal.

An hon. member: Is that so?

(1325)

Mr. Duceppe: Yes, they are opposed to the resumption of normal activities in the port, something the longshoremen are prepared to do with a mediator. It has been 20 years since there was a labour dispute in the port of Montreal. A tradition of good bargaining. At Canadian Pacific, the current attitude to labour relations has been to take a hard line and let labour disputes fester without resolution and then ask for special legislation.

I heard the chairman of the Quebec Liberal Caucus say earlier: "But there are no essential services". And why not? Do you know why? Because there is no anti-scab legislation. There are no anti-scab provisions in the Canada Labour Code. This government came to power a year ago. It promised to introduce legislation but it never did. It was in favour of such provisions when it was in the opposition but not any more. We have seen nothing so far. Sure, a working paper was distributed with several proposals for anti-scab legislation where it would take

60 per cent and scabs would become legal. Quite something. They call it anti-scab legislation, but they would allow scabs under this proposal.

One last comment, since my time is almost up. I agree there may be emergencies and I agree that from time to time we may have to consider legislating workers back to work. But after 15 hours, in one case, and 24 hours, in the other? Let us get this straight: Either they have the right to strike or they do not. If we want no more strikes, we should pass legislation accordingly, but we should not give the parties the impression that this right exists—if they have that right, they should exercise it—while resorting to special legislation. We cannot have it both ways. Either the right to strike exists and it may be exercised, or it does not. Let us stop resorting to special legislation. Let us put our cards on the table and be logical instead of pretending to support public service employees during the election campaign and then doing what they are doing now.

This party talks like the New Democratic Party during the election campaign and acts like the Progressive Conservative Party once it is in power. That is the Liberals for you.

[*English*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I was not proposing to take part in this debate. However, since there is time, I am quite happy to say something in response to the ridiculous comments we have heard from opposition members as to their excuse for not supporting this urgent and important legislation that really should be dealt with in this House.

Many of my constituents are gravely inconvenienced by this strike. They are more than just inconvenienced. The question which arises in respect of this strike is the economic loss to our country as a result of the failure to ship the things that have to get to port to be exported from Canada. This country is going through an export boom. To have a serious disruptive strike, whatever the problems that may have arisen to cause it and whatever the reason, is a serious economic loss to Canada at this stage in our economic cycle.

The Minister of Finance recently tabled a budget. Clearly, the success of that budget depends in part on the export growth that is booming in Canada today and which should be supported by every member of this House. We have an obligation to see to it that Canada's prosperity is not obstructed by some serious work stoppage which is preventing one of the most important things in our country, that is, exports which are going on at this moment and every hour of every day. They are being blocked because the opposition is unwilling to bring an end to this strike through some lawful means.

S. O. 31

We proposed a fair solution to it. Members may not like it but it is a fair solution. Opposition members know that perfectly well, yet they persist in obduracy and say they will not allow us to change the rules in respect of this bill. They allowed the rules to be changed last week and I grant that, but they will not do so with respect to this bill to ensure that these people are put back to work so that jobs are not lost to Canadians.

We believe in creating jobs in this country. That is part of the philosophy of the Liberal government. I am surprised the opposition does not share that philosophy. One of the ways we create jobs is by exports. This strike is stopping exports. It is costing Canadians jobs. We should end it right away and the faster the better. The opposition knows it perfectly well.

[Translation]

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 53, the period of one hour has expired.

It is now my duty to ask all members who object to the motion to rise.

And more than 10 members having risen:

The Acting Speaker (Mr. Kilger): Ten or more members having risen, pursuant to Standing Order 53, the motion is deemed to have been withdrawn.

(Motion deemed withdrawn.)

* * *

(1330)

BORROWING AUTHORITY ACT, 1995-96

The House proceeded to the consideration of Bill C-73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995, as reported (without amendment) from the committee.

Hon. Alfonso Gagliano (for Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved that the bill be concurred in.

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

Some hon. members: Question.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 170)

YEAS

Members

- | | |
|---|---|
| Adams | Augustine |
| Axworthy (Winnipeg South Centre) | Baker |
| Bakopanos | Bellemare |
| Bethel | Bevilacqua |
| Bodnar | Boudria |
| Brushett | Bélair |
| Bélanger | Campbell |
| Catterall | Cauchon |
| Chrétien (Saint-Maurice) | Clancy |
| Collins | Copps |
| Cowling | Crawford |
| DeVillers | Dhaliwal |
| Dingwall | Discepolo |
| Duhamel | Dupuy |
| English | Fewchuk |
| Finestone | Finlay |
| Flis | Gagliano |
| Gagnon (Bonaventure—Îles-de-la-Madeleine) | Gerrard |
| Goodale | Graham |
| Gray (Windsor West) | Grose |
| Harb | Harvard |
| Hickey | Irwin |
| Jordan | Keyes |
| Kilger (Stormont—Dundas) | Knutson |
| Lastewka | LeBlanc (Cape/Cap-Breton Highlands—Canso) |
| Lincoln | Loney |
| MacLellan (Cape/Cap-Breton—The Sydneys) | Maheu |
| Maloney | Manley |
| Martin (LaSalle—Émard) | Massé |
| McKinnon | McLellan (Edmonton Northwest) |
| McWhinney | Mifflin |
| Milliken | Minna |
| Mitchell | Murphy |
| Murray | Nault |
| O'Brien | Ouellet |
| Parrish | Peters |
| Phinney | Pillitteri |
| Proud | Reed |
| Richardson | Robillard |
| Rompkey | Scott (Fredericton—York—Sunbury) |
| Serré | Shepherd |
| Sheridan | Speller |
| St. Denis | Steele |
| Stewart (Northumberland) | Telegdi |
| Thalheimer | Vancilief |
| Walker | Wood |
| Young —93 | |

NAYS

Members

- | | |
|---------------------------|------------------------|
| Ablonczy | Benoit |
| Blaikie | Brien |
| Brown (Calgary Southeast) | Bélisle |
| Chrétien (Frontenac) | Cummins |
| Deshaies | Duceppe |
| Fillion | Forseth |
| Frazer | Gagnon (Québec) |
| Godin | Grubel |
| Guay | Hanger |
| Hanrahan | Harper (Simcoe Centre) |
| Harris | Hayes |
| Hermanson | Hoepfner |
| Jacob | Jennings |

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Johnston	Kerpan
Landry	Lavigne (Beauharnois—Salaberry)
Lefebvre	Leroux (Shefford)
Loubier	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
Meredith	Mills (Red Deer)
Morrison	Nunez
Paré	Plamondon
Ramsay	Ringma
Scott (Skeena)	Silye
Solberg	Speaker
St-Laurent	Thompson
Venne	Williams—52

PAIRED MEMBERS

Asselin	Bachand
Bellehumeur	Bergeron
Bernier (Mégantic—Compton—Stanstead)	Bouchard
Canuel	Caron
Chan	Crête
Culbert	Dalphonde—Guiral
Daviault	Debien
Easter	Fry
Jackson	Lavigne (Verdun—Saint-Paul)
MacLaren	Peric
Simmons	Szabo
Tobin	Ur
Volpe	de Savoye

[English]

The Speaker: I declare the motion carried. When shall the bill be read a third time? Later this day?

Some hon. members: Agreed.

Mr. Boudria: Mr. Speaker, I rise on a point of order. I think you would find unanimous consent to call it two o'clock, thereby allowing for 15 minutes for statements under Standing Order 31 and continuing with the question period for 45 minutes so that no time is lost for either statements or questions.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31, with the proviso that question period will end at approximately 3.08.

STATEMENTS BY MEMBERS

[Translation]

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, today, March 20, is the Journée internationale de la Francophonie.

Moreover, this year is the 25th anniversary of this celebration of French culture and language, which was marked by the creation of the Cultural and Technical Co-operation Agency.

The Francophonie, which unites 47 countries, can be described as the community of peoples who speak French to varying degrees.

Since 1970, Canada has played a leading role in the development of the Francophonie. Through its membership in the Francophonie, Canada shares with the rest of the world our physiognomical traits and gives French speaking Canadians, who number 8.5 million, access to the world and development possibilities in a wide range of countries located in all parts of the world.

I would like to wish all francophones and francophiles in Canada a happy Journée internationale de la Francophonie.

* * *

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, today, francophones the world over celebrate the Journée internationale de la Francophonie. On this day, we must reflect on the future of the Francophonie in light of the social and cultural changes shaping our societies.

Despite the fact that parliamentarians observe this day each year, Bloc Québécois members deplore the omission of any mention of the Francophonie's flag in the Minister of Canadian Heritage's document entitled: "Canadian Flag, Flag Etiquette in Canada". However it does describe the flags of three important international organizations, the United Nations, NATO and the Commonwealth, of which Canada is a member.

The Francophonie, must we remind the Minister of Canadian Heritage, is celebrated in all countries of the world, starting with Canada.

We send our best wishes to francophones the world over.

* * *

(1410)

[English]

CANADA WINTER GAMES

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I congratulate four young people from my riding and home town of Camrose, Alberta, on their outstanding performances at the Canada Winter Games recently held in Grand Prairie, Alberta.

All are members of the Camrose Composite High School ski club. They competed in the biathlon, the same sport in which Canada won a gold medal at the 1994 Winter Olympics.

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Seventeen-year old Kristine Saugen won three gold medals. Amy Ford, 18 years old, won a gold, silver and bronze medal, while 18-year old Erin Phillips placed fourth in the 10-kilometre individual race and received a gold and silver medal. Finally 19-year old Carlos Settle won a bronze medal in the 15-kilometre individual race while placing fourth in the 10-kilometre sprint.

Congratulations to Kristine, Amy, Erin and Carlos. They are all true champions and fine athletes.

* * *

RAIL

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I ask the House to imagine how different the situation might be today if the government had kept its promises to abandon the Mulroney agenda.

Imagine if instead of announcing the privatization of CN it had announced new investment. Imagine if instead of abandoning the Crow benefit it had stood up for the necessity of rail subsidies. Imagine if instead of continuing with deregulation and commercialization in the transport sector it had reregulated in favour of rail, an environmentally superior form of transport. Imagine if instead of keeping and adding to the cuts at VIA Rail it had finally made the investment promised for so many years by so many governments in passenger rail.

Maybe railroaders would have a different attitude today and certainly less anxiety about job security.

* * *

WALTER OSTANEK

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, St. Catharines' polka king, Walter Ostanek, has made us proud once again.

Earlier this month he was honoured with his third consecutive Grammy award at this year's 37th annual award ceremony in Los Angeles.

Walter Ostanek won his award in the polka album category for his recording called "Music and Friends". This is his 46th recording and his 7th time to be nominated for a Grammy award.

While many other talented Canadians were nominated for awards, the polka king was the only Canadian to be chosen for a Grammy.

Congratulations to Walter Ostanek. Our hats are off to him for his continued excellence in music.

* * *

LEARNING DISABILITIES MONTH

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, I am wearing a pin on behalf of the Learning Disabilities

Association of Nova Scotia to commemorate Learning Disabilities Month.

Across Canada learning disabilities associations and schools perform vital work. Without their success in generating greater public awareness and without their preventive efforts to diagnose and assist those with learning disabilities, school dropout rates would dramatically increase. The number of juvenile offenders would be on the rise and the long term costs of Canada's social programs would spiral.

I offer my support particularly to the Learning Disabilities Association of Nova Scotia. The many hours offered by committed volunteers and staff have made a tremendous difference in the lives of those who live with learning disabilities.

I urge all members of the House to promote the valuable role played by these voluntary organizations in communities across our country. Their efforts are truly making a difference.

* * *

KIDS HELP PHONE

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, I rise today in support of Kids Help Phone. This non-profit service was started by the Canadian Children's Foundation back in 1989. Since then Kids Help Phone, which offers 24-hour bilingual counselling service to troubled youth, has grown tremendously. Kids Help Phone receives over 3,000 calls a day from frightened, lonely and often abused children.

Just last month Kids Help Phone received an astonishing 2,041 calls from troubled youth in my home town of Hamilton. Unfortunately, however, Kids Help Phone only has enough staff and telephone lines to handle about one-quarter of the calls. Who knows what kind of a crisis each one of those unaddressed calls for help might entail on a daily basis?

Although Kids Help Phone does not solicit government funding, I call upon my colleagues in the House to lend their support and raise awareness of the Kids Help Phone line 1-800-668-6868. After all, helping a young person in trouble can make a difference that will last a lifetime.

* * *

[Translation]

LOW LEVEL FLIGHTS

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, the Innu held a protest on Parliament Hill last Saturday to denounce the recommendations of the environmental assessment panel reviewing low level flights in Labrador and Northern Quebec.

(1415)

The Bloc Québécois joins the Innu in denouncing the contradictory recommendations of the panel who admits in its report the need for further study of the impacts on the health of human and animal populations, yet recommends that twice as many

S. O. 31

flights be allowed, thereby jeopardizing the fragile balance of the Arctic environment.

This review offhandedly casts aside the legitimate concerns of those who face daily the stress caused by such flights. Under these circumstances, the Canadian government must flatly reject this report and start a new scientific process which, this time, will take into account the demands of the environmentalists and the local people.

* * *

[English]

ENTREPRENEURS

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, the Canadian Federation of Independent Business recently released a report stating the Canadian banking industry has a bias against women entrepreneurs because women had a 20 per cent higher refusal rate than men on commercial loans and paid 1 per cent more than male entrepreneurs on average.

It could be argued the Canadian Federation of Independent Business is wrong. A Statistics Canada national survey of small business in November 1994 said the difference was 6 per cent—18 per cent for males, 24 per cent for women—and the difference may be reflective of industry preference and not gender bias. In August 1994 an Industry Canada report concluded that gender did not influence interest rates charged on commercial loans.

We should be careful not to create problems. We have enough as it is. Engendering a victim mentality based on gender will do nothing to inspire men or women to become entrepreneurs.

* * *

DEFENCE

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, from March 7 to 9 the permanent joint board on defence between Canada and the United States had its 195th meeting.

The permanent joint board dates back to a 1940 agreement between Canada and the U.S. to share common security interests and to co-ordinate joint defence. Composed of both civilian and military officials, the 195th board discussed security in the western hemisphere and NATO's infrastructure and possible expansion.

The Americans had the opportunity to study our government's white paper on defence and foreign policy statement while Canadians had the opportunity to review the U.S. national military strategy.

Mr. Dwight Mason, the American co-chair, and I as the Canadian co-chair were both impressed with the depth of discussion and strongly encourage continuing support for these meetings.

Managing one of the world's largest defence arrangements requires close co-operation between Canada and the United States. The permanent joint board on defence is an excellent vehicle to help administer this important relationship.

* * *

SPRING

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, spring, which came to our west coast in January, has now officially reached the rest of Canada.

B.C. citizens, radio station CKNW, home of Rafe Mair and Bill Good, Lumberland and General Paint offer each MP today a token of the new season of hope and renewal. In the poet's words:

Daffodils
That come before the swallow dares and take
The winds of March with beauty.

They remind us of the infinite beauty of our country, but also of its fragility.

Canadians have led the world in building the strong new international law on conservation and sustainable development of the earth's dwindling natural resources, including fisheries, as the common heritage of all mankind.

* * *

MEMBER FOR NEPEAN

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, my good friend and buddy Beryl Gaffney is currently undergoing surgery in London, Ontario. I wish her well and want her to know she is in our thoughts and prayers.

Beryl, your energy and drive can be a lesson to us all. I know you have the spirit and strength to see yourself through the days and weeks ahead. After all, as a friend and neighbour you put up with so many of us for so many years.

I know you will be back in your seat in the House very soon. On behalf of all of my colleagues, I wish you a quick and easy recovery. We miss you and look forward to your return soon.

Some hon. members: Hear, hear.

* * *

[Translation]

CANADA HEALTH ACT

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, the Prime Minister stated in Saskatoon Wednesday that the foun-

dations of the Canada Health Act were not negotiable. As it turns out however, the national forum on health, chaired by the Prime Minister himself, has a mandate to review this act without the full participation of the provinces.

(1420)

The only legitimate players in the health field, namely the provinces, have been excluded from this process. The true meaning of the Prime Minister's "not negotiable" therefore becomes apparent.

Moreover, the last federal budget called for major budget cuts in transfer payments to the provinces. Again, this is not negotiable.

Are we to understand that this so-called flexible federalism means that nothing is negotiable? Transfer payments are cut, yet the provinces must comply with standards dictated by Ottawa. Now, they are being excluded from the national forum on health. And that is not negotiable either.

* * *

[English]

CANADA COUNCIL

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, we used to pay a penny for our thoughts, but thanks to an artist in Halifax we are now paying a nickel.

The artist, Stephen Ellwood, is an American who came to Canada because we give more money to artists than do our southern neighbours. Today Mr. Ellwood will be throwing away \$300 in nickels—6,000 nickels—some off a building, others discarded on the street, to make a politically artistic statement. All of this money is at the expense of the Canada taxpayer thanks to the Canada Council.

I believe in the freedom of expression in Canada. I do not believe Canadian taxpayers should be left on the hook for every political and artistic problem we have. The Canada Council needs to overhaul its granting practices to ensure greater accountability as to how funds are distributed. It is time we looked at the current structure of the Canada Council and ask how it can continue to exist as we know it today.

Thanks to the Canada Council the Liberal government is not the only one throwing money away. Mr. Ellwood is so good at it he deserves a seat at the cabinet table as well.

* * *

RACIAL DISCRIMINATION

Ms. Jean Augustine (Etobicoke—Lakeshore): Mr. Speaker, last week marked the third anniversary of the end of apartheid in South Africa.

Tomorrow around the world people will commemorate the International Day for the Elimination of Racial Discrimination,

Oral Questions

raising awareness that racism still exists in our communities and that we must work toward its complete elimination.

In Canada equality is the law but is not always the reality, as many people must bear the burden of racial discrimination. It is everyone's responsibility to acknowledge and address racism and its presence in employment, social life, housing and the justice system.

Through education true respect and equality can be achieved. By sharing the differences in our heritage and increasing awareness of each other's struggles and strengths we will end much of the discrimination that plagues our society.

* * *

[Translation]

QUEBEC SOVEREIGNTY

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, last Tuesday, following the statement made by the Fédération des communautés francophones et acadienne du Canada in support of the no side in the referendum, the Bloc Québécois' reaction was swift: mind your own business.

One wonders who, in the opinion of the Bloc and the Parti Québécois, can speak freely about the referendum. Last week, the Bloc questioned the right of the FCFA to express its opinion. Less than a month ago, the Bloc also questioned the right to vote of those who are not old stock Quebecers, to quote the expression used by one of its members. Shortly before that, a senior PQ advisor questioned the right of English-speaking Quebecers to vote in the referendum.

Back in May 1994, the Bloc told one of its own advisors to keep quiet on that issue. The message sent by the Bloc and the Parti Québécois is clear: Only those who share their views can speak about the referendum.

The Speaker: My colleagues, since it is now 2.24 p.m., question period will end at 3.09 p.m.

ORAL QUESTION PERIOD

[Translation]

RAIL TRANSPORTATION

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, CN, CP and VIA Rail management responded to the strike called by rail unions on Saturday by locking out over 10,000 workers, thus paralysing the whole Canadian transportation network. According to Commissioner Hope's February 6 report, these three employers have refused to back down from any of their demands as employers.

Given the employers' attitude, how does the Minister of Labour explain that, in the night between Saturday and Sunday, barely 12 hours after the dispute started, she prepared, at the

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employers' request, to legislate employees back to work and to make arbitration compulsory?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, my first reaction to the work stoppage at CN and VIA Rail was to meet with the parties, that is, the three companies and all the unions, yesterday at 3 p.m. in Montreal, to try to convince them to settle the dispute themselves by telling them very clearly that it would be much better for them to solve the problem themselves than to let the government legislate.

We still believe that it would be much better for both the employers and the unions to find their own solution to the problem, and I hope that they still have time to do so before we legislate.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the minister's comments are very enlightening; she has delivered an ode to free collective bargaining, after giving notice at 9.04 a.m. on Sunday, about 12 hours after the dispute started, that she would break up the strike.

How can the minister explain that, over a month before the dispute started, Commissioner Hope recommended back-to-work legislation although, according to his own report, the current stalemate results from the intransigence of the employers, who are trying to impose "extremely controversial and provocative" demands?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, if we have to bring a back-to-work bill before the members of this House, it is because the impact of this work stoppage requires the government to take action.

There is first of all an impact on all the people who use VIA Rail services. All the passengers faced a significant problem this morning. As far as the rail transportation network is concerned, this strike also affects an important part of the Canadian economy, not only rail companies but also all the other companies that depend on this form of transportation to speed up their operations.

Therefore, I think that it is in the public interest for the government to take action in this matter.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, after listening to the minister, we must conclude right away that there is really only one fundamental question: Does the right to strike still exist in Canada? If it must be taken away, a bill to that effect should be introduced and debated.

If this right to strike still exists, and it does, why does the minister refuse to consider a back-to-work bill that would provide for mediation instead of imposing work conditions and that we would support?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, the right to strike and to lock out workers still exists

under the Canada Labour Code. In fact, over 60 per cent of labour disputes are settled without government or departmental intervention. Over 90 per cent of cases referred to the Minister of Labour are settled without strikes or lockouts. Our current system is very effective, except in emergency situations with a major impact on the economy or the population, as is now the case. We must strive to achieve results.

Unfortunately, the parties have been negotiating for months without reaching an agreement. The time has come to achieve results in this dispute.

* * *

PORT OF MONTREAL

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is directed to the Minister of Labour. The port of Montreal has been paralysed for thirteen days. Last week, the minister announced that she intended to appoint a mediator to help settle the dispute.

Could the minister explain why she was in such a hurry to pass back-to-work legislation only a few hours after a lockout was declared in the railway transportation industry, but has yet to appoint the mediator requested by the workers to help settle the dispute at the port of Montreal?

(1430)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, action has already been taken. I met both parties, the employers and the union, this morning. I asked them to go back to work immediately and to resume negotiations. I also appointed a mediator who is to report to me in ten days' time.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am glad that the minister has finally responded to the wishes of the union, which has been asking for a mediator for quite some time, because previously, labour relations have been excellent. What is needed is a permanent solution to the dispute.

Why did she not take similar action in the case of the railway transportation dispute?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, each situation must be considered separately, especially where labour relations are concerned, and I think the hon. member for the Bloc Quebecois will agree that no two situations are alike.

In the case of the port of Montreal, no conciliation commissioner had been appointed. There had been only one conciliation phase, so this is entirely different from the situation at the railways, where we had another very long phase, from November 1994 until February 1995, when a conciliation commissioner intervened.

So I assume the hon. member for the Bloc Quebecois is quite satisfied with the decision I made today.

*Oral Questions**[English]*

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, for weeks a rail strike was expected. Now, after millions of dollars in lost wages and profit, and aggravating delays for commuters, farmers, and exporters, the Liberal government is finally ready to heed Reform's call for back to work legislation.

The Bloc and the NDP are holding up speedy passage of the legislation, adding to the loss of Canadian jobs and exports. It should not have come to this and it need not, had the government acted.

Since Reform knew weeks ago that legislation would be necessary to end this dispute, since the unions knew it, CN-CP knew it and the government knew it, why did the government not act sooner to avert this costly rail strike?

[Translation]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, the government still believes in collective bargaining. It still believes that the best solution is when the parties involved reach an agreement. And in every situation, we will do the impossible, before we consider legislating.

[English]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, unfortunately millions of Canadians are held hostage by this work stoppage and they need to be heard as well. It is the government's shortsightedness and bumbling that is to blame for the rail stoppage.

Thirty-six hundred people in Montreal and Toronto are stranded because of the government. Farmers cannot get their grain to market because of the government. Manufacturers are shutting down production and workers are being laid off because of the government.

What is the government planning to do to ensure rail stoppages will be a thing of the past?

[Translation]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, we are very much aware of the economic impact of a work stoppage. However, one of the principles of good government is that a way must always be found to establish a balance between the forces involved. It is certainly not the intent of this Liberal government to side against the workers, as the Reform Party is doing. We want collective bargaining that is fair to both parties in the majority of cases.

[English]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, if the government was serious about preventing future transportation stoppages, it would have supported Reform's private member's bill this morning.

The Minister of Labour floated the idea of binding arbitration last night. If she had really believed what she was saying, the minister would have stood in her place and voted for the best offer selection bill introduced by the member for Lethbridge.

I ask the Minister of Labour this. What steps will the government take to prevent future rail disputes? Please, no speeches and no lectures about the collective bargaining process. It rings pretty hollow to 45,000 public servants.

(1435)

[Translation]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, most disputes are resolved without government intervention. We must be aware of this. Secondly, when the government does intervene, most disputes are resolved without a strike or a lockout. We therefore have a very good system. There is always room for improvement, but we are not going to change it 150 per cent as the hon. member for the Reform Party would have us do.

* * *

CANADIAN BROADCASTING CORPORATION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, Alain Pineault, vice-president of CBC planning and regulations said that the future of CBC regional TV stations had become uncertain following the funding cuts announced in the last federal budget.

Since the CBC decided against asking the CRTC to renew its regional stations' broadcasting licences because of the uncertainty created by the Minister of Canadian Heritage, can the minister confirm or deny once and for all today—and could he please be clear—that the CBC is facing cuts of \$44 million, \$96 million and \$165 million over the next three years, as Mr. Manera was told by his deputy minister?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I think that the budget is clear with respect to the figures available concerning the CBC. I have already covered this ground and I have nothing to add.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the budget calls for \$40 million in cuts next year. That much we know and is clear. But does the minister not realize that Radio-Canada has announced that more than 750 positions will disappear in the next few years, and now that the entire regional network will disappear as well? Does he? And having undertaken to provide multi-year funding to this crown corporation, does he not think that his first duty today is to make things clear, to put things plainly and honestly to the CBC, to allow for sound financial planning?

The Speaker: My colleagues, again, the honesty of the answers must never be called into question. All the hon. members always answer honestly.

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Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague just made reference to decisions announced by the CBC. I assume that his sources are the press and certain statements made by a vice-president of the CBC's French network. I would like to quote what she said with respect to the number of job cuts. She said that it was "an estimate, not a firm figure". She also said that this estimate will have to be approved by a board of directors. That is exactly what I said last week.

I said that there were, of course, dealings between the vice-president and her staff, but that no decision had been made. I said so last week and I repeat it today, supported by a quote from the source herself.

* * *

[English]

CANADA POST

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, last Tuesday the Prime Minister told the House that he would not undertake an investigation into the Perez affair. On Friday, however, the Solicitor General admitted that the minister of public works was conducting his own investigation into the incident.

What type of investigation is this? What assurances will the minister give the House that the investigation will be open and non-partisan?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I would like to inform the hon. member that I am monitoring the situation and reviewing a number of allegations that have been made.

This event occurred well before our mandate commenced. It was back in 1991. It is the subject of litigation. A number of accusations have been made by a variety of different parties. In fact the CBC had made an allegation against two of the individuals.

(1440)

For the benefit of all members, Mr. Speaker, I would like to read the retraction which was published: "Last week the CBC broadcast a story which implied payments had been made to Senator Pierre DeBane and to Canada Post Corporation President, Georges Clermont, in connection with the awarding of a contract for construction by Perez Construction of the new headquarters building of Canada Post in Ottawa. On investigation, CBC has determined that that story was false and unjustified. CBC retracts the story and apologizes to Senator DeBane, Georges Clermont, José Perez and the Canada Post Corporation for any embarrassment caused by the erroneous report".

I anticipate that additional allegations will come forward. Until such time as the litigation comes to a close, we will continue to monitor the situation.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, this event sounds an awful lot like the Pearson airport deal which was also started by the previous administration.

I would like to ask the minister for some clarification on behalf of Canadian taxpayers. Will he, when he conducts his investigation, also make public to the Canadian taxpayers who are footing the bill the terms and conditions of the lease agreement?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I can well understand the desire of the hon. member to try to raise some public attention.

I want to share with him that the Auditor General, in March 1994, in a special examination of the Canada Post Real Estate Group said he "was satisfied with the decision making process throughout the project. The process provided for many counter checks of information, ensuring that cost effective alternatives were well identified and documented".

Furthermore the Auditor General went on to note: "Therefore it was found that the facility planning process as it affects cost controls issues for the corporation—(were) based on sound information and realistic market assumptions".

I will provide the information to him at the most appropriate time but I would hope that the hon. member could allow this litigation process to come to a conclusion.

* * *

[Translation]

WELFARE

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the Quebec Minister of Income Security recently highlighted the negative effects of the Liberal government's cuts to the unemployment insurance system. One of them was that, as a direct result of the cuts to unemployment insurance, between 6,000 and 8,000 households in Quebec will be forced to join the welfare lines each month.

My question is for the Minister of Finance. Will he confirm that the additional \$2.4 billion in cuts to the unemployment insurance fund, of which \$700 million is for Quebec alone, will only increase the number of families collecting unemployment insurance which have to switch over to welfare?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it would be very helpful to point out to the hon. member who asked the question what I think is the

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most important statistic from last year. If we look at the question of those people who exhausted their UI benefits, the number dropped by more than 86,000 over the year before. There was a very substantial gain of employment in Quebec which enabled far fewer people to reach a stage where they had to exhaust their UI benefits.

That is the real statistic the hon. member and the hon. minister for Quebec should be looking at. We are creating jobs in Quebec. People will be able to stay at work longer and not have to exhaust their UI benefits as a result.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the only statistic that people are going to remember is that, last year, the government implemented \$675 million in cuts to the unemployment insurance fund, that this year's cuts amount to \$2.4 billion and that it plans to cut \$3.5 billion in the next. That is what people are going to remember.

My second question is also for the Minister of Finance. Will he admit that he is condemning thousands of families to despair by denying them unemployment insurance benefits and is once again offloading his financial problems onto the provinces by forcing them to spend larger amounts on welfare?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, again the hon. member simply does not know what he is talking about.

As a result of the unemployment insurance changes, close to 200,000 Canadian families receive the additional benefit of 60 per cent which adds, on average, an additional \$1,000 of revenue for those low income families with dependants.

(1445)

As a result of UI changes and the direction we are going in which is to give differential benefits to those most in need, we are able to provide substantial new income for 200,000 Canadian families.

* * *

NATIONAL DEFENCE

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, Canada has spent over \$75 million modernizing our fleet of CF-5 fighters. We are now spending more millions of dollars even though the fleet is grounded and up for sale. The last time we tried to sell fighter planes we ended up giving away 39 of them to Turkey. What assurances can the minister give us that the Canadian taxpayers will not again get a bad deal and be up for another financial loss?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as the hon. member knows, the CF-5s were bought some years ago as the main fighter and were superseded by the CF-18. As he also knows, the CF-5 fleet is being retired as a result of the white paper on defence and policy review. The intent is to sell them to another country, if possible.

Some countries have indicated some interest, but there is one country in particular where we believe there is a good opportunity to sell the CF-5s. The negotiations are continuing and we hope to have positive results in the near future.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I think the Minister of Foreign Affairs would agree that the most likely candidate to buy the CF-5 fighters is the Turkish government. The foreign affairs minister has condemned Turkey for bombing civilians. Given these concerns, what reassurances can the minister give us to ensure that these fighters will never be used to bomb civilian populations?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member is right. Turkey is the country we are negotiating with. The sale of these aircraft to Turkey or to any other country will be subject to the strict rules and regulations that are applied by the Department of Foreign Affairs and other controls that Canada has which preclude the sort of thing the member is concerned about from happening.

* * *

[Translation]

ETHICS

Mr. Gilles Dupeppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

We learned today that the chairman of the National Capital Commission, Mr. Marcel Beaudry, was honorary president at a fund raising dinner held last Saturday in the riding of Chapeau by the Quebec Liberal Party.

How can the minister explain that a senior official of his department can get actively involved in Quebec matters, given the discretion normally expected from public servants at that level?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the chairman of the National Capital Commission is not an official of my department. He presides over a fully independent government agency, which operates at arm's length. Consequently, I have no authority over that official, since he is not a member of my department. I should also add that this person is free to use his leisure time as he pleases.

Mr. Gilles Dupeppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the fact is that the National Capital Commission is a

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crown corporation accountable to the Department of Canadian Heritage. There are all kinds of leisure activities in life.

Does the Minister of Canadian Heritage not agree that this case should be reviewed by the ethics commissioner, so that we know to what extent such leisure activities, as the minister calls them, are acceptable, based on the ethics rules mentioned at length in the red book?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, Mr. Beaudry is a very respectable person who does not engage in activities without first making sure that they are compatible with his duties.

I am surprised to hear members opposite criticize federal public servants and agencies, considering that they encourage Quebec public servants to actively participate in the referendum campaign.

* * *

(1450)

FRENCH-SPEAKING COUNTRIES

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I understand the Minister of Foreign Affairs will attend the next Francophone Summit to be held in Benin, Africa.

Can the minister tell us what the government's priorities are with respect to the French-speaking countries of the world?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am very pleased to answer this question on this Journée nationale et internationale de la Francophonie.

Indeed, on the initiative on the French minister, Mr. Jacques Toubon, ministers of French-speaking countries will be meeting next week in Paris to discuss ways to better prepare themselves for the Francophone Summit that will take place later this year, in Cotonou, Benin. This summit will bring together the heads of state of member countries of the Francophonie.

Over and above the efforts made in terms of cultural and technical co-operation, we want the Francophonie to play a broader political role in the promotion of human rights, democracy, equality for women and child welfare.

We think the Francophonie has an important part to play in the attainment of these objectives.

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[English]

CORRECTIONAL SERVICE CANADA

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, last Friday, CBC Newsworld broadcast a segment on Fernand Auger. We heard about Auger picking up a 14-year old prostitute in Toronto 10 years ago, putting a gun to

her head, threatening to kill her and then raping and sodomizing her.

The program then had an employee of Correctional Service Canada state that Auger's convictions were not viewed as being violent because the victims were prostitutes and this implied a level of consent.

My question is for the Solicitor General. Are these comments reflective of the position of Correctional Service Canada and this government?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I have not seen the program. I am going to get the text and review it. We consider this a very serious and tragic situation. Those comments, if accurately stated, do not reflect the position of this government.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, on June 10, 1994 while responding to a question of mine concerning a similar situation that occurred with Clifford Olson, the Minister of Justice stated that he hoped the allegations of crime are investigated, prosecuted and punished without reference to the lifestyle of the victim.

I ask the Solicitor General, what steps will you be taking to ensure that the attitudes of Correctional Service Canada are consistent with the government's policies and positions?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, again as I have said, I will check into the matter. If what is stated with respect to this broadcast is correct, I will make sure that the operations of the officials in question are consistent with government policy. I thank the hon. member for raising this matter with me.

The Speaker: Hon. members, I would encourage you always to address your questions through the Speaker.

* * *

[Translation]

SATELLITE DISTRIBUTION

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Not satisfied with a decision made by the CRTC concerning satellite-based broadcasting, the government decided to create a three-person committee to establish behind closed doors its policy on satellite direct distribution.

How can Quebecers affected by this policy trust the recommendations of this committee when the president of the committee, Gordon Ritchie, was among those who stated last week in Toronto that the federal government should penalize Quebecers on the eve of the referendum?

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Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, let us not confuse the public. Mr. Ritchie was appointed to submit a report. He is assisted by two distinguished and widely known individuals. We will judge the report when we read it.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, rather than give the mandate to a small group of government's friends who will work on the sly, if the minister was not satisfied with the work of the CRTC and wanted an objective opinion on the question, why did he not ask for public and open consultations where interested parties in Quebec and in Canada could have been heard?

(1455)

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am happy to reassure our colleague. This group's report will be made public. The documents it receives will be made public. The CRTC is already holding very extensive public consultations on related subjects. Thus, there is nothing mysterious or hidden in this process.

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*[English]***NATIONAL DEFENCE**

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, with the conclusion of the final court martial on the Somalia issue, I presume that the Minister of National Defence will shortly be announcing the composition of the board of inquiry to consider the issues before the deployment, during the deployment and after.

My concern is with the minister's decision to hold the inquiry under the National Defence Act. The perception will be that the Department of National Defence is investigating the Department of National Defence. Would the minister reconsider and hold the inquiry under the Inquiries Act?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I thank the hon. member for this important question. The minister will be back in the House tomorrow and will address that question himself.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, my concern with the minister's decision to use the National Defence Act is that first of all, there are 306 sections in it which will require that some legal advice be given which might be taken as directing by the military. The second one is that not all the members who have appropriate testimony are subject to the National Defence Act. It would be much better if the minister were to consider using the Inquiries Act.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.):

Mr. Speaker, I believe that was the question and my answer is still the same. The Minister of National Defence will return and address that question tomorrow or later this week.

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SMALL BUSINESS

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

A recent report of the Canadian Federation of Independent Business shows that banks have a double standard when lending money to businesswomen. It suggests higher loan refusal, higher interest rates and less financing available to women entrepreneurs.

Will the minister investigate this apparent discrimination when in fact women entrepreneurs have a higher success rate than do men?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, as the questioner points out, it is a very important fact that women entrepreneurs do have a very high success rate. Their efforts are contributing significantly to the creation of jobs in Canada. Their success in small business is an important component of the overall development of jobs within the country.

The question also reflects the suggestion in the CFIB study that perhaps women have a more difficult time obtaining financing than do men. I know members of the Reform Party do not agree with that as they have already spoken on it. Those facts are open for review.

However job creation by entrepreneurs of either gender is going to happen best when the banks come to the table and answer the needs of small business. The government is going to be working very hard with the banks and the industry committee to see to it that we establish benchmarks that are usable and useful in measuring the success of the banks in responding to these needs.

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*[Translation]***ZEROPLUS INC.**

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Minister of Industry and concerns a project of which he is aware in the Eastern Townships. The project, called ZEROPLUS Inc., is a very important project since it could create 150 jobs in the industrial sector.

The promoters of the project are still waiting for an answer from the federal government, the provincial government having already made a commitment in this regard. Since there are short term elements involved in this project, time is of the essence and if the government does not give its answer soon, the whole project could be in jeopardy.

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Can the minister give us a progress report on this matter?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would like to thank the member for giving me advance notice of his question.

As he certainly knows and as was announced in last month's budget, this program on environmental technologies is being reviewed by the departments involved and we will not, at this time, make new commitments with regard to this program.

* * *

(1500)

[English]

FINANCE

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, my question is for the Minister of Finance. It concerns the fact that we have heard a lot last week and this week surrounding the back to work legislation about the national interest.

Given the fact that we now glorify an international economic order in which notions of national interest are seen to be romantic, why do we bring the full force of law to bear on workers who are seen to be not acting in the national interest, or so the argument goes, when we do not take any legislative action either nationally or internationally with respect to currency traders, money changers, multinational corporations or others that act against the national interest?

Given the sort of moral anarchy that reigns in the world today, will the Minister of Finance and the Canadian government, with respect to the G-7 summit, be taking some leadership in bringing in a new Bretton Woods agreement for the 21st century?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, just as the government has consistently put the national interest first in its dealings and in its legislation within the country, so has the Prime Minister in his public statements in terms of the international financial community.

The world ought to be quite happy that Canada will be the host of the G-7 meeting and that the Prime Minister will be there because he will very clearly put on the agenda the necessity of making sure the world deals with its finances in a safe and reasonable manner.

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[Translation]

AIR NAVIGATION SYSTEM

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, my question is for the Minister of Transport.

It was announced in the budget that the air navigation system, or ANS, would be privatized this year. The minister went as far as to say that negotiations are well under way with a non profit group made up of representatives of the air transport industry, and that an agreement could be announced shortly.

Can the minister confirm that stringent requirements will be set so that the new operators of ANS will provide quality French-language service throughout Quebec, Acadia, and in all regions with a significant number of French-speaking Canadians?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, we have already examined the issue raised by my hon. colleague. In all negotiations, we want to make sure that the requirements he described are met and that services in French will be available where they are needed, particularly in Quebec and in French-speaking regions of Canada.

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, I have a supplementary question for the minister.

Can the minister give us guarantees to the effect that the present regional operations of ANS will be maintained, and more particularly area control centres?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, one of the main reasons for proceeding to the commercialization of the air navigation system in Canada is to provide the users of the service, the airlines, the pilots and so forth, along with the deliverers of the service, the air traffic controllers, the radio operators and so forth, input into the decisions required to make the air navigation system in Canada effective and affordable.

To the extent that both those who use the service and those who deliver the service will want to act in the best interest of everyone involved in the process, I am sure all those decisions will be made in the very best interest of everyone concerned.

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AGRICULTURE

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the government has waffled long enough on to whom the Crow benefit should be paid. Farmers need clarification from the agriculture minister now.

I ask the minister this very simple question: Is the final Crow payment intended to benefit the landowner or the actual producer?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as the hon. gentleman will know, the freight rate in western Canada has in one form or another been subsidized or kept at an artificially low rate for the better part of 100 years. When that occurs for that long period of

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time the value of the freight rate becomes capitalized into the value of the farm land.

(1505)

For example, when the capital gains tax valuation day came around in 1971 the value of the farm land was higher than it otherwise would have been because the produce off that farm land had been subsidized for a long period of time by means of the predecessors to the WGTA. The value of the farm land was higher because of the subsidy.

Some hon. members: Oh, oh.

Mr. Goodale: You asked the question; wait for the answer. When the subsidy is removed and the freight rate goes up, obviously there will be an impact upon farm land and it is that impact toward which the payment is directed.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, we have heard from the Minister of Finance, the Minister of Human Resources Development, the Minister of Transport and now the Minister of Agriculture and Agri-Food, and from our different ministers we have had four different answers.

I would like an answer, please. Will this payment absolutely, for sure, be made to the landowner or as some of the other ministers have said possibly to the renters or lessors?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the budget documents and all the answers offered by various ministers of the government have indicated the payment being directed toward the landowner.

A number of farm organizations in western Canada have asked for the opportunity to provide advice to the government with respect to the administrative arrangements surrounding that payment so that we could ensure as far as is humanly possible that the benefit from the payment is spread as broadly as possible and as fairly as possible in good common sense.

Despite the representations of the Reform Party, I intend to listen as closely as I can to the advice from farm organizations and take their representations into account.

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STUDENT EMPLOYMENT

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

Spring has sprung and with it the job search for Canadian university and high school students has begun. Summer employment provides work experience along with funds needed to continue their education.

What assurance can the minister give Canadian students that the government puts a high priority on their summer employment needs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, on Friday we announced a new summer youth employment program that will provide employment for close to 45,000 students this summer across Canada.

I would like to mention a few very important features. One is that we will be providing a wage subsidy to businesses and organizations that are prepared to provide career development for students so that the summer work actually adds to their vocational development.

Second, there will be major business loans for students who want to start their own businesses. There will be an extension of the youth service corps for summer programs for young people in which we will have full partnership of the Canadian Federation of Mayors and Municipalities, educational groups, Indian bands and aboriginal groups.

It demonstrates that we are working in partnership across the country to help our young people.

* * *

ENVIRONMENT

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, last year the environment minister stated that a project, namely Sunshine Development, which had environmental assessments, was fully reviewed by Parks Canada and designated as environmentally sound, would be subject to more review because of her government's reliance on special interests.

If the minister is so concerned about the environment, why is her department sitting idle while clear-cutting of old growth is taking place on lands in which the federal government has an interest?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, first of all the preface to the hon. member's question is absolutely false.

In fact the panel that was struck specifically relating to the ski hill in question was called by the minister responsible for Parks Canada, the Minister of Canadian Heritage.

Mr. Thompson: That is a good answer for nothing.

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[Translation]

ENVIRONMENTAL ASSESSMENTS

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of the Environment. We have

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discovered from reading the budget that the government is proposing to require the provinces pay for environmental assessments undertaken by the federal government.

Not only is this government persisting in maintaining costly duplications, it is adding more this time by asking Quebec to pay for services it does not need, because it already has its own, equally effective tools.

(1510)

Does the Minister of the Environment not realize that, by asking the provinces and other interested parties to assume the costs of environmental assessments, she is forcing Quebec taxpayers to pay the federal government for a service they have already paid the Government of Quebec for?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, if the hon. member has taken the time to read the documents, she will have seen that the federal government requires payment for those under the exclusive jurisdiction of the federal environment service. Those under the BAPE will be covered by provincial laws.

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[English]

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Mr. Stavros Kambelis, General Secretary for the Island of Crete, Greece.

Some hon. members: Hear, hear.

The Speaker: I also draw the attention of hon. members to the presence in the gallery of four of the five recipients of the Queen Elizabeth Silver Jubilee endowment fund for second language education award program.

I will read the four names and then we will recognize them. Miss Genevieve Currie, Miss Christine Desmarais, Miss Echelle Kerr and Mr. David Matte.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table,

in both official languages, the government's response to 37 petitions.

* * *

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Madam Speaker, in 1990 the 47 countries and governments of the francophone community declared March 20 the Journée internationale de la Francophonie. It was on March 20, 1970 that the Agence de coopération culturelle et technique (ACCT) was founded in Niamey, Niger. This year, the Journée internationale de la Francophonie marks the 25th anniversary of the ACCT, which, as it happens, is directed by a Canadian, Jean-Louis Roy. It is interesting to remember that the first secretary general of that organization, Jean-Marc Léger, was also a Canadian.

Today, I would like to pay tribute to the visionaries of the Francophonie, men like Senghor, Diiori and Bourguiba from newly independent countries who dreamed of an assembly that would establish new lines of dialogue, co-operation and solidarity between French-speaking nations. Madam Speaker, let me quote Léopold Senghor, who attributed to the Francophonie "an all-encompassing humanism that encircles the planet". Today more than ever, we must be guided by this humanism if the Francophonie is to become an even more dynamic forum.

The recent tragic events in French-speaking countries concern us directly, indeed command our attention. The Francophonie is being called upon to take a stand and I give my word in this House that Canada will support it in its efforts.

(1515)

Next week, as I said in reply to a question from a colleague in this House during question period, I will have the honour of meeting my colleagues from French-speaking nations around the world. Together we will discuss ways of strengthening French-speaking institutions in preparation for the next Summit of heads of state and government in Cotonou, Benin.

These summits provide an opportunity to promote common objectives. Canada plays an important role at the summits, represented by the Canadian government, and also of course by the governments of Quebec and New Brunswick, who play a very important and useful role there.

This felicitous formula, which led to harmonious relations between France, Canada and Quebec, was the result of lengthy negotiations by intelligent, resourceful people respectful of the interests of the parties concerned.

Because he is here with us in this House, I would like to mention the exceptional contribution of one of the great ar-

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chitects of this historic success, the present Leader of the Opposition, who as Canadian ambassador at the time, did an outstanding job of resolving this matter satisfactorily in the interest not only of Canada but also in the interest of Quebec and of the good relations we have always had and wish to maintain with France.

This felicitous formula enabled all speakers of French in Canada, and especially in Quebec, to play a role internationally. This formula still allows Quebec to play an important and vital role within the Francophonie.

We will continue to promote, within the Francophonie, the basic values which are so dear to our fellow citizens. Earlier, in answer to a question in the House, I mentioned the values of democracy, human rights, equality for women, child welfare and education.

To mark this important day, we had the pleasure to participate in a ceremony where we unveiled, along with officials from member countries of the Francophonie, their ambassadors and several fellow citizens who are active in that field, a postage stamp commemorating the 25th anniversary of the Canadian Technical and Cultural Co-operation Agency.

I also had the pleasure of handing out Francophonie awards to deserving students and teachers from across Canada. This initiative is a reminder that the vitality of our linguistic and cultural heritage was, and remain, essential to our unity, our specificity and our existence as an independent entity.

Canada is well aware that the Francophonie is not a territorial issue. The greatest lesson we learned is that Francophonie knows no boundaries: It is a universal reality. The Francophonie in Canada, which thrives in Quebec, New Brunswick, Ontario, Manitoba and other regions, and which I salute, must of course rely on a strong, dynamic and credible worldwide francophone movement.

Let us not forget that over eight million Canadians can speak French. This number includes of course close to 75 per cent of Quebecers, but also over 25 per cent of the other Canadians, including close to 1.2 million in Ontario, half a million in western Canada, and some 400,000 in the Maritimes.

(1520)

In closing, today, we celebrate the Francophonie and a language which is so dear to us. The French language spread throughout the world and is enriched by the different accents from various islands, plains, ricefields and bushes, where it is thriving.

I invite all members in this House and in other Canadian legislative assemblies to celebrate together this Journée de la Francophonie internationale, which marks the beginning of a week dedicated to the Francophonie in Canada.

Mr. Philippe Paré (Louis-Hébert, BQ): On behalf of all my colleagues in the Bloc Québécois I am especially proud today to mark the Journée internationale de la Francophonie.

On this day, it is fitting to point out that Quebec's opening up to the world has been nowhere more evident than in its participation in the international francophone community. Since the early sixties, Quebec has been forging special bilateral links with France. This intense co-operation between Quebec and France has contributed significantly to the strengthening of multilateral contacts with francophone communities, resulting in numerous exchanges between Quebec and its main francophone partners, especially Europe and Africa, in many areas such as culture, education, scientific development, high technology and industry.

The Journée internationale de la Francophonie is especially significant this year as it happens to be the 25th anniversary of the founding of the Agence de coopération culturelle et technique. In the early seventies, the agency provided the focus for the development of the international francophone community. Quebec's right to formally participate in the agency's proceedings was quickly recognized, as was its right to sit as a participating government in the francophone summit.

There is no doubt that Quebec's participation in the international francophone community is vital to its opening onto the world. Moreover, rediscovering the way to a vibrant solidarity with francophone and Acadian communities in Canada, Quebec will be able to play a central role in building a francophone space in North America.

Last May, while making public the Bloc's commitment to the American francophone community, the Leader of the Opposition rightly pointed out that by building bridges between francophone communities in North America and the rest of the world, Quebec will be able to help make the voices of francophone and Acadian communities in Canada heard in the concert of nations, and will be thus in a better position to promote their cause.

Francophones in America have a common future and, when Quebec becomes a full partner on the international scene, freed from the constraints of being a mere province, it will be able to play this role fully. We are eagerly looking forward to that day.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, as critic of the Reform Party for official languages, I am pleased to commemorate this Journée internationale de la francophonie.

The Reform Party recognizes how much the French-speaking population has contributed to the development of our great country, which continues to be enriched by them. Conscious of that fact, the Reform Party supports the principle of using English and French within key federal institutions such as Parliament and the Supreme Court. We also support the right of

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all Canadians to speak in either of these two beautiful languages.

By being part of an organization like the Francophonie, Canada maintains relations with 46 other member states having a combined population of 400 million people. As a member of this organization, Canada can play an active role at the international level, whether it is in technological and medical breakthroughs in some African countries or in promoting democracy in certain Caribbean states such as Haiti.

(1525)

Although this international co-operation offers limitless opportunities, we must remain conscious of our responsibilities towards taxpayers.

In this regard, most Canadians support our efforts to restore democracy in Haiti. However, there are those who question the \$9 million spent by the Agence de coopération culturelle et technique in French-speaking countries, as well as the \$7 million allocated to the implementation of projects and development activities agreed upon at the Francophonie summits.

What we have to do, in fact, is balance our responsibilities towards our partners in French speaking countries and those towards Canadian taxpayers. This is a difficult exercise which warrants special attention. On behalf of the Reform Party, I congratulate francophones all over Canada and around the world on this day celebrating the Francophonie. I would also like to take this opportunity to challenge the government: Let us hope that it will be bold enough to ensure some balance between its commitments to this alliance and its responsibilities towards taxpayers.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Madam Speaker, today marks the beginning of la Semaine nationale de la Francophonie, and this year's theme is ethno-cultural diversity. One of the awards this morning was made in recognition of a multicultural and anti-racist educational project called Leadership Camp.

Tomorrow, March 21, we celebrate the International Day for the Elimination of Racial Discrimination.

These two events will be an opportunity to celebrate the rich diversity of this country.

The Prime Minister of Canada has often said that the unity of our country is based on diversity, and that diversity is also our strength. It is, in fact, the fundamental characteristic of our nation. A country based on diversity cannot afford to let racism, hatred and intolerance to take root in its soil.

[English]

To do otherwise would be to jeopardize a social peace for which Canada is envied around the world. Social peace does not come from wishing it. It comes from hard work and from

vigilance. The duty to be vigilant carries with it the responsibility to address racism by public response or by force of law.

The greatest asset of any country is its people. The challenge is not to assimilate this diversity into a simple mould, but to weave its many varied strands into a distinctive national culture. Canadian culture is much more than the sum of its many parts.

From a global perspective Canada is seen as a role model, a country united through common values based on fairness, equity, democracy and respect for human rights.

While racial, religious and ethnocultural discrimination have helped to make the 20th century a byword for inhumanity and violence, Canada is exceptionally fortunate in the extent to which it has been spared the worst of these excesses.

We must do more than trust our luck. We must work very hard to make sure our country is not open to racist sentiments, whatever their form and whatever their source.

(1530)

It is in this context that I hope all members will see the March 21 campaign on their screens and in their movie theatres. It will be a campaign asking Canadians to stop and think about the harm that racism does to others and to society. Understanding is the key to eliminating racism.

What better way to encourage Canadians to think about the effects of racism than to put themselves in the other person's shoes. Mettez-vous dans la peau des autres. Only then can we learn what it means to live in a society of mutual interdependence. Sometimes we need to be reminded of what we so often take for granted.

Such a reminder came very recently from President Bill Clinton of the United States who in addressing the House lauded our nation: "as a model of how people of different cultures can live and work together in peace, prosperity and understanding".

The message of the March 21 campaign embodies the sentiment expressed by the Prime Minister of Canada, reinforced by the President of the United States.

I urge all members to join with me in carrying this message to the people of Canada.

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Madam Speaker, tomorrow, March 21, 1995, Canadians and Quebecers celebrate the International Day for the Elimination of Racial Discrimination. As pointed out by the Secretary of State for Multiculturalism and the Status of Women, this event coincides with la Semaine internationale de la Francophonie.

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It is therefore a time to think about this social and cultural dimension of our individual and collective lives. Quebec and Canada are societies in a state of flux that are facing many challenges. One that is of particular interest to us in this House is the contribution of immigrants and their participation in the development of our social fabric.

However, there are two visions of Canadian society: The Canadian vision that favours unity in diversity, and the Quebec vision that favours integration while respecting cultural differences. These two opposing social concepts are based on two different political visions of our world. In Quebec, since the initial Quebec-Canada agreements on immigration, the linguistic and economic integration of newcomers in the host society has been an imperative for the development and growth of the majority culture, in other words, the French-speaking majority. The very survival of our culture, the cultural heritage we received from our ancestors, is at stake.

In Canada, multiculturalism has been repeatedly analysed, criticized and challenged, especially in recent years. I may recall that this policy, which was intended to impose a political vision of Canada instead of reflecting the place that cultural communities occupy in Canada, was developed at a time when Quebec nationalism had reached a decisive turning point in its history.

It was an attempt to diminish the position of Quebec within Canada by relegating to the past the concept of two founding peoples and two dominant cultures. That is why multiculturalism never took root in Quebec, despite the claims of the present federal government and its Prime Minister.

We could quote, on this point, a letter by the former Premier of Quebec, Mr. Robert Bourassa, who said in 1971, replying to Mr. Trudeau on the question of multiculturalism: "The document tabled in the House dissociates culture and language—Quebec does not agree with your government's approach on the concept of multiculturalism. That notion hardly seems compatible with Quebec's reality where there is one predominant presence of a French language and French culture majority and an important minority of English language and culture among many other minorities".

Mr. Bourassa ended his letter by stressing the fact that the role of the Premier of Quebec was to ensure that the French culture would radiate within North America and that he intended to go on doing just that, with all he had available to him, while respecting others.

(1535)

However, we do believe that the integration of communities into the common public culture of Quebec does have a positive impact on racism and intolerance.

This position was supported in Quebec yesterday during the opening ceremony for the Semaine de la Francophonie, when the president of the Maison internationale de Québec, Mr. Augustin Raharolahy, who immigrated to Quebec 20 years ago, said: "Mastering a language is central to the integration process and is a prerequisite for a full participation in the economical, social and political life. Furthermore, it also gives a feeling of ownership in our society. Mastering the French language as a common language is fundamental, but it does not mean linguistic and cultural assimilation". He then concluded by saying that: "A common language, the French language, solidarity, and the pride of being a Quebecer are the strengths with which we can build a country, a modern society".

One can hardly find a better description for Quebec's policy and reality. However, like all other nations, Quebecers and Canadians must increase their efforts in order to fight against racial intolerance and all the prejudices that invariably come with it.

The fight is a constant one, but a victory against racism would result in a better quality of life for future generations.

[English]

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, it is an honour and a pleasure to rise and speak in acknowledgement of the International Day for the Elimination of Racial Discrimination which takes place tomorrow.

Recently I had occasion to speak in Kingston, Ontario to a group of seniors about my vision for Canada. I received from one of those who was in the audience that day a most remarkable letter. She called it "Acceptable Behaviour in a Global Village". I would very much like to share it with members because it gives expression to what we are addressing today and tomorrow.

She writes:

The world of human beings has grown smaller and populations all over the world have become so mixed that we have to learn to get along peacefully with each other. The global village is no longer somewhere else. It is here and all of us are mixed in with it. It does not matter whether someone of a different race or nation lives next door or down the street or in a different part of town or half way around the world, we have to learn to live peacefully with all of those peoples whose racial or national origins are different from our own. To do otherwise is to bring about an end to our world. The intolerance, conflicts, fighting and wars between peoples will bring an end to our civilization and the earth as a planet much quicker than any pollution or natural disaster.

All peoples have some members who are great people, who have accomplished things which are beneficial for all humankind. All peoples have some members who are difficult people who make life miserable for those around them. No one is perfect. Most people of all races are a mixture of good and bad. It is necessary to recognize the best and the positive in others regardless of what they look like, what language they speak or where they have come from. The positive values of honesty, integrity, the ability to do the job required of them, the ability to care for family and

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other people, and the ability to live peacefully together with others; all provide the basis for a good and worthwhile society.

Every race and nation of people has those individuals whose performance is excellent in all of those values. Every race and nation has many who fail to uphold those positive values. We need to change our attitudes to become more objective and non-judgmental. We need to become more accepting of all people.

The woman concludes her letter with the thought that:

This is not an easy thing to do but if enough of us who feel this necessity start to put these attitudes into our own lives and encourage others to also do so, we will have a better world.

These are the sentiments of an ordinary Canadian with some considerable life experience. Her words echo not only my thoughts but also those of all of us here in the House who have given expression to our basic belief in human dignity and the equality of others.

* * *

(1540)

BUDGET IMPLEMENTATION ACT, 1995

Hon. Douglas Peters (for the Minister of Finance, Lib.) moved for leave to introduce Bill C-76, an Act to implement certain provisions of the budget tabled in Parliament on February 27, 1995.

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

Mr. Milliken: Madam Speaker, I rise on a point of order. I wonder if you would ask the House if there would be consent to introduce the bill, of which I sought introduction this morning, to order the resumption of railway operations in Canada, in light of the very serious strike that is ongoing.

I know the Minister of Labour is anxious to bring the bill before Parliament. With the consent of the House we could give it first reading this afternoon.

The Acting Speaker (Mrs. Maheu): The House has heard the terms of the motion. Do we have unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): We do not have unanimous consent.

* * *

PETITIONERS

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I have two petitions; actually I have five but four of them relate to the same thing.

The first petition calls on Parliament to enact legislation that re-evaluates and amends the Canadian justice system providing

protection to and giving precedence to victims' rights, stricter sentencing guidelines, stronger penalties for all major crimes, immediate deportation of convicted non-Canadians with all appeal costs financed by the accused, all juveniles charged with major crimes be tried in adult court and all violent criminals to serve their full sentences.

This petition comes from the Canmore, Exshaw and Banff district.

SEXUAL ORIENTATION

Mr. Myron Thompson (Wild Rose, Ref.): I have four other petitions, Madam Speaker, that call on Parliament to oppose any amendments to legislation that would provide for the inclusion of sexual orientation.

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, I have three petitions to present. The first two request that the government not include the phrase sexual orientation in any of its upcoming bills.

CANADIAN ARMED FORCES

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Madam Speaker, the second petition requests that Parliament convene a public inquiry that supersedes any that may be operating at present and to investigate and report on all matters affecting the armed forces of Canada in its operations, tasking its resource allocation and affecting its morale and welfare.

JUSTICE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): My third petition, Madam Speaker, calls on Parliament to reverse the decision of the Supreme Court of Canada to allow extreme intoxication as a defence for sexual assault or physical assault.

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, I rise again to present another petition in this course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law-abiding citizens and the families of the victims of convicted murderers.

CANADIAN BROADCASTING CORPORATION

Mr. Walt Lastewka (St. Catharines, Lib.): Madam Speaker, I have two petitions to present.

The first petition calls on Parliament to condemn the actions of the Canadian Broadcasting Corporation and to request that in accordance with its responsibilities as the national broadcaster, the CBC withdraw its application to televise the Paul Bernardo case.

JUSTICE

Mr. Walt Lastewka (St. Catharines, Lib.): Madam Speaker, the second petition calls on Parliament to request that the government disallow the defence of extreme intoxication as used in the Daviault case and amend the Criminal Code accordingly.

(1545)

HUMAN RIGHTS

Mr. John Williams (St. Albert, Ref.): Madam Speaker, pursuant to Standing Order 36, on behalf of 27 Albertans, I am honoured to present a petition organized by Rose Hornsberger, one of my constituents.

These petitioners request that Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

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

Mr. Paul Steckle (Huron—Bruce, Lib.): Madam Speaker, pursuant to Standing Order 36(1), it is my pleasure to present a petition with 269 names from petitioners in the Kitchener—Waterloo area on behalf of my colleague from Kitchener.

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 which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

YOUNG OFFENDERS ACT

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have several petitions to table today. I understand there are several petitions being presented that equal approximately 64,000 names dealing with the Young Offenders Act and changes to toughen it up. This petition bears 73 signatures from people in my riding and nearby.

ASSISTED SUICIDE

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I also have two petitions bearing 115 names. The petitioners pray that Parliament not repeal or amend section 241 of the Criminal Code in any way and to uphold the Supreme Court of Canada's decision of September 30, 1993 to disallow assisted suicide, euthanasia.

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RIGHTS OF THE UNBORN

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have four petitions bearing 423 names. The petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have a petition on sexual orientation which I do not concur with but I will present and table.

The petitioners call upon Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt all necessary measures to recognize the full equality of same sex relationships in federal law. It bears 39 names.

Madam Speaker, I have another petition on sexual orientation bearing 62 names. The petitioners pray and request that Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights act to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

GUN CONTROL

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, this petition is on gun control and bears 119 names. The petitioners support the laws which severely punish all violent criminals who use weapons in the commission of crime and support new Criminal Code firearms control provisions which recognize and protect the right of law-abiding citizens.

Madam Speaker, may I continue?

The Acting Speaker (Mrs. Maheu): Perhaps somebody else should be given a chance. If we have time, I will come back to you.

CHILD SUPPORT

Mr. Andrew Telegdi (Waterloo, Lib.): Madam Speaker, I have two petitions to present.

One of the petitions contains signatures collected at the Waterloo Pentecostal Assembly. It draws the attention of the House to the following: That incidents of child poverty are becoming more and more frequent; that each incident of child poverty harms the public; that there would be fewer such incidents if certain legislative measures were taken. Therefore, your petitioners call upon Parliament to enact legislation to help alleviate child poverty by ensuring that child support orders are enforced and by removing the income taxes on those child support payments received by the custodial parent.

Government Orders

CABLEVISION INDUSTRY

Mr. Andrew Telegdi (Waterloo, Lib.): Madam Speaker, the second petition is signed by 30 people and deals with the CRTC. It calls on Parliament to request the CRTC to review and hold hearings on cable industry regulations in order to protect the interests of the Canadian public from unfair marketing practices such as negative option billing in so far as tied selling is a reviewable practice under the Competition Act.

(1550)

HUMAN RIGHTS

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, I have two petitions to present to the House today. The first calls upon Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provides for the inclusion of the phrase "sexual orientation".

ASSISTED SUICIDE

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, the second petition asks that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Madam Speaker, I have two petitions to present today. One is a petition of 25 names from B.C. asking Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination.

GOVERNMENT SPENDING

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Madam Speaker, the other is a petition of a few hundred names asking Parliament to reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

GUN CONTROL

Mr. Peter Thalheimer (Timmins—Chapleau, Lib.): Madam Speaker, I have a petition in which some constituents are asking that Parliament punish violent offenders who use a firearm in the commission of a crime, and to protect the rights of responsible gun owners and improve gun control legislation to make it more effective and efficient.

HUMAN RIGHTS

Mr. Pat O'Brien (London—Middlesex, Lib.): Madam Speaker, as a member of Parliament it is my duty to present a petition which opposes including the phrase "sexual orientation" on various pieces of federal legislation.

The Acting Speaker (Mrs. Maheu): We have a few minutes left. I will return to the member for Calgary Northeast. May I remind members once again that if you are saying you support

the petition, it is going into debate. Would you please just state the matter the petitioners wish Parliament to consider.

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, my final petition is on immigration. The petitioners humbly pray and call upon Parliament to reduce immigration to the previous average level of one-half of one per cent of the population, or about 150,000 per year, with a basic intake of not less than 50 per cent of the total, composed of carefully selected skilled workers required by the Canadian economy. They request that our refugee acceptance rate be brought into line with the average for other asylum destination countries. This petition bears 42 names.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I would ask that all the questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

[English]

Mr. Hermanson: Madam Speaker, on a point of order, I just want to make it clear that when the request was made for unanimous consent to introduce the back to work legislation and the opposition did not permit that to occur, it was not the Reform members. The Reform members did concur. It was the Bloc and the NDP.

The Acting Speaker (Mrs. Maheu): I would like to seek unanimous consent of the House to return to introduction of private members' bills if I may.

Some hon. members: Agreed.

* * *

[Translation]

CANADA LABOUR CODE

Mr. Bernard St-Laurent (Manicouagan, BQ) moved for leave to introduce Bill C-317, an act to amend the Canada Labour Code and the Public Service Staff Relations Act (scabs and essential services).

He said: Mr. Speaker, it is my pleasure to move, on behalf of the Bloc Quebecois, an anti-scab bill. This bill would prohibit the hiring of scabs by employers under federal jurisdiction, by crown corporations or by the Canadian public service and would also legislate on the maintenance of essential services during a strike or a lockout within the public service or crown corporations.

This bill is to allow for labour relations to take place in a civilized context so that, in many cases, social peace can be restored.

(1555)

It is inconceivable that the federal government has not yet passed such a legislation when more than 70 per cent of Canadian workers are already protected against scabs, that is in Quebec, Ontario and British Columbia. The lack of a federal anti-scab legislation is often the cause of the worsening of labour-management negotiations. During negotiations, the equity of pressure tactics amounts to the respect of the parties. An anti-scab legislation means the respect and dignity of workers.

It is high time that the federal government take some measures to put an end to labour disputes such as the one at Ogilvie Mills of Montreal, which have been on strike for nine months now.

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

[English]

The Acting Speaker (Mrs. Maheu): I wish to inform the House that pursuant to Standing Order 33(2), because of the ministerial statement, Government Orders will be extended by 26 minutes.

GOVERNMENT ORDERS

[Translation]

BORROWING AUTHORITY ACT, 1995-96

Hon. Douglas Peters (for the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved that Bill C-73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995, be read the third time and passed.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, it is for me a great pleasure to give today my support to Bill C-73, the Borrowing Authority Act, which has reached the third reading and final concurrence stage in this House.

This bill is in fact an internal economy measure which is introduced once a year to allow for the continuation of the permanent operations of the government. This does not mean that the government does not consider this measure seriously, quite the contrary.

This bill follows the presentation by the Minister of Finance last month of the most important and significant budget for the future of this country since the Post-War years.

Government Orders

This budget brought in-depth changes to the nature of federal spending. Its provisions were adopted because the need for a sound administration has become incompatible with a growing national debt that has a destructive impact nation-wide.

This bill provides for a borrowing authority of up to \$29 billion. A large portion of this amount accounts for the appalling and unacceptable gap that has developed between projected federal expenditures and revenues.

Canadians are well aware of the situation. They understand that the cost of outrageous deficits means higher taxes and interest rates and less economic growth in the future.

(1600)

These same reasons explain why the 1995 budget and its harsh measures have had so much support from the people.

In the 1994 budget, we undertook to keep the deficit under \$32.7 billion in 1995-96 and to reduce it even further to 3 per cent of the GDP, that is \$24.3 billion in 1996-97.

This budget contains harsh measures that will make sure we reach those goals despite higher interest rates than expected.

However, this budget goes much further than the goals set for the next two years. Our reforms will continue to be productive in the following years and will allow us to go on and hit the final target of this government, that is a balanced budget.

We will be able to claim that our mission has been achieved the day this kind of bill is no longer necessary.

[English]

To hit our deficit targets we are implementing cumulative savings over the next three years of \$29 billion. This is the largest set of actions in any budget since the demobilization after World War II.

These actions mean changing the size and shape of government. By 1996-97 program spending will fall from \$120 billion last year to just under \$108 billion this year. The structural changes we are making will ensure significant deficit reduction continues in 1997-98 and beyond. The bottom line benefits of this will be dramatic

The deficit will fall to \$32.7 billion in 1995-96 and to \$24.3 billion the year after, as we promised. With the deficit in 1996 at 3 per cent of GDP, this will be the lowest level since 1974-75.

By that time our financial requirements, the new money we have to borrow from the markets, will drop to \$13.7 billion. That will be just 1.7 per cent of GDP, lower than any currently forecast for any other G-7 nation. We are again backing up our prudent economic assumptions with substantial contingency reserves; \$2.5 billion in 1995-96 and \$3 billion the year after. This means we can still come in on target next year, even if interest rates are 1 per cent higher and growth half a per cent lower than our forecast.

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Our contingency reserve can do more than protect our target. If it is not needed it will not be spent. It will go to reducing the deficit even further. This underscores another benefit our prudent planning could deliver.

If interest rates and growth do better than are forecast and just conform to the private sector averages, the 1996–97 deficit could drop below \$19 billion. That is \$5.5 billion less than this budget projects. That would bring our deficit down to 2.3 per cent of GDP.

Even if we do no better than our projected targets, 1996–97 will be an important milestone since the debt will no longer be growing faster than the economy. The debt to GDP ratio will have begun to decline at last. That is the key to fiscal sustainability, to put our debt ratio on a permanent downward track.

I need not go on summarizing our budget plans and the promise they carry. The House has heard days and days of budget debate. The court of public and market opinion has ruled strongly in favour of our courageous strategy.

Let me turn briefly to the thrust of Bill C–73. I again ask the House to support and speedily pass this bill.

(1605)

If borrowing authority is not in place early in the new fiscal year there will be severe constraints placed on the government's financing program. Without passage it could lead to a situation in which no government bonds could be issued except to fund maturing issues. The bottom line here could be increased costs to taxpayers because it would expose the government to the additional interest rate charges and risks implied by increased short term funding.

Bill C–73 contains three basic elements: authority to cover financial requirements for 1995–96; a provision for exchange fund account profits; the renewal of a non-lapsing amount. In total we are requesting authority to borrow \$28.9 billion for the 1995–96 fiscal year.

The largest element is the provision for \$24.9 billion of borrowing to meet the net financial requirements as set out in the budget. There is a provision to cover \$1 billion of exchange fund account earnings, earnings which would make necessary additional Canadian dollar borrowing requirements. These earnings, although reported as budgetary revenues, are retained in the exchange fund account. They are not available to finance ongoing operations of the government.

There is the well established, over the last seven years, \$3 billion non-lapsing amount. This sum can either be used during the course of the year to manage contingencies such as the unexpected foreign exchange requirements or it can be carried forward into the next fiscal year.

There are some technical provisions in Bill C–73 that more clearly link fiscal year borrowing authority with fiscal year borrowing requirements.

For example, one provision provides that the 1995–96 borrowing authority may only be used after the new fiscal year begins. Another provision stipulates that for the purpose of calculating borrowing authority usage the effective date is April 1.

Until the bill is passed the government may continue to use the \$3 billion non-lapsing amount provided for in last year's Borrowing Authority Act. Any portion of this non-lapsing amount used will be deducted from the basic amount of borrowing authority being sought today. This prevents the non-lapsing amount from effectively adding to the borrowing authority next year. Once it is passed, this bill will also cancel all borrowing authority remaining from fiscal 1994–95.

This bill is a regular feature of each year's legislative agenda. It contains no remarkable or unexpected provisions. Its supporting background was fully documented in the budget, the main estimates and related documents.

However, what is remarkable in both senses of the term is the clear, courageous and concrete action the Minister of Finance set out to set the federal deficit on the fast track. By doing so, our government is laying the foundations for continued national economic renewal and restored national unity.

I therefore encourage the House to approve Bill C–73 post haste so the new borrowing authority will be in place at the beginning of the new fiscal year, 11 days from now.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, it is with pleasure that I participate in the third reading debate on Bill C–73, concerning the federal government's borrowing authority.

From the outset, we must say that the official opposition is against this bill. We are opposed to it because it flows from the last budget presented by the Minister of Finance of Canada.

So, logically, we are against the borrowing authority because we were opposed to the finance minister's budget. It is with great pleasure that, during the next few minutes, I will remind you of why we are opposed to the bill and of why we were so opposed to the finance minister's budget.

First of all, I would like to make it clear that we have never been against putting the fiscal house in order, on the contrary.

(1610)

If you have an opportunity of rereading the Hansard for the last year, you will see that every time we had a chance to do so we asked the finance minister to have an item by item review, in

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the normal course of activities of a parliamentary committee made up of parliamentarians, not of experts nor officials working on the sly, of all the federal budgetary expenditures, including tax expenditures, that is the various provisions of the Canadian tax legislation that allow certain individuals or corporations to avoid paying income tax.

That is absolutely not what we are challenging in the last budget, nor therefore in Bill C-73. We are against two specific elements of the budget. First, we oppose the means to be used to stabilize public finances, because we cannot agree with them. Those means include a downright offloading of the federal government's deficit problems onto the provinces, and also a downright offloading of the federal public financing problems for the unemployment insurance account, because year after year billions of dollars are taken off the UI account in order to address the public finance problem, and also budget cuts made at the expense of the neediest members of society, that is cuts in the transfer payments for social assistance and post-secondary education.

The second element of the federal budget we cannot agree to, and the second reason why we therefore cannot agree with Bill C-73 providing borrowing authority, is related to the fact that the real problem of Canadian public finances is hidden from the people of Quebec and Canada, and that is the explosive problem of chronic and massive debt, a problem that is likely to stay with us for the next few years.

If I may, I will take the next few minutes to review our major objections to the budget, and therefore to Bill C-73. As I said earlier, the first of these budgets over the next three years will offload the federal government's deficit onto the backs of the provinces. For the government of Quebec alone, this represents over the next three years a shortfall of almost \$3 billion. In addition, not content with cutting transfers, the federal government is still attempting, even though it can no longer afford to do so, to impose its view of things on the provincial governments and on the government of Quebec in particular by imposing standards in all the areas where it has made cuts and where it is going to continue to cut in the coming years. These areas would include health, post-secondary education and social assistance, as I mentioned.

Just as he did last year, the Minister of Finance again this year went after the unemployed. Over the next two years, he will cut \$7.5 billion in the unemployment insurance fund. Out of this fund, to which the federal government no longer even contributes, he will take \$7.5 billion. What is this if not an indirect tax, because only employers and employees contribute to this unemployment insurance fund. And for three years now, the federal government has been merrily dipping into this fund, although it should not be doing so.

I would remind you that \$7.5 billion in cuts represents 120 times what is being asked of the banks over the coming years.

They are being asked to cough up \$100 million as an additional, temporary tax over the next two years. The government is laughing in our faces when they leave the banks intact in this cost-cutting exercise and ask the unemployed, who did not make a profit of \$5 billion last year, to contribute \$7.5 billion to social assistance programs. This is how this government defines social justice and fairness.

These cuts are part of a vision of economic and social development that does not correspond with Quebecers' view of society. I would remind the Secretary of State, who said earlier that everyone was happy with the budget, that that is not the case. In Quebec, 58 per cent of Quebecers have just said that they are against this budget, that they are not confident that this budget can even begin to bring about job creation. So he should check his polls and he should also verify elsewhere than in financial circles the reaction to this budget.

(1615)

I would remind you that, in the last budget, this government had so few concerns regarding jobs and unemployment that, for the only program of any interest—the infrastructure program—, it found a way to cut \$200 million from this fund which had been set aside for investment in infrastructures across Canada.

I would also remind you that, in terms of employment, more than 800,000 jobs still need to be created, with all the jobs we have lost since the big recession in the first quarter of 1990. For this government, unemployment is not a problem, as the Minister of Finance indicated in his budget speech, but jobs are not a priority either.

We oppose Bill C-73, since, as it stems from the budget, it does not directly attack the duplication that is costing taxpayers billions of dollars. Moreover, as we have said in recent weeks, this duplication and overlap will continue. Members opposite who say this is not the case should have a look at the budget and note that nothing has changed in terms of expenditures or tax revenues.

They should also look at all of the departments. Not one department has been cut. Not one. If duplication and overlap were being eliminated, departments would be cut, because expenditures are being cut, and 45,000 people are being laid off. Where is the big machine being restructured? It is not. It remains intact and will continue to generate billions of dollars in wastage paid for with the income and other taxes of Quebec and Canadian taxpayers. This is the fine way the Liberal government manages public finances.

We oppose Bill C-73, because the budget is silent on one serious problem in the Canadian tax system: the many tax inequities. The budget contains no tax reform that would allow for a reduction in government borrowing on the capital markets. It contains only taxation measures and measures that will perpetuate the wastage, as well.

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The Minister of Finance is not going after the tens of thousands of companies that pay no income tax. We have been drawing this problem to his attention for months. We have been saying for months that some 70,000 profitable companies in Canada do not pay income tax. The minister has done nothing to correct this tax inequity, this preferential tax treatment given business.

Neither does the budget contain any provision concerning 16 tax conventions entered into between the federal government and countries considered as tax havens for hundreds of millions of unpaid corporate taxes. In the end, the budget offers only superficial changes aimed at hiding the \$7 billion cut in transfers to the provinces.

For instance, while the government announces that it will make permanent cuts to the unemployment insurance program, it is increasing, on a temporary basis, for two years only, the capital tax imposed on banks, which will raise approximately \$100 million. This represents a fortieth of the profits made by Canadian banks as a whole, in 1994-95. Imagine the fiscal effort required of banks. Imagine the fiscal effort required of the Royal Bank, for instance, which last year recorded profits of \$1.2 billion.

As far as family trusts are concerned, we are told that the very rich who, in Canada, do not have to pay any capital gains tax, for a maximum period of 80 years, on assets worth hundreds of millions of dollars held in family trusts, will see their benefits diminish slightly.

In his budget speech, the finance minister told us: "Do not worry. We will eliminate the undue benefits available to the very rich in Canada". He gives them four years to dismantle their family trusts, put their wealth somewhere else, and ensure that for the next four years they will not pay their rightful share of federal tax. This is a reflection of the inability and lack of political will on the part of the federal government to close the tax loopholes which benefit very high income earners, and explains the financial predicament it is in.

(1620)

We oppose Bill C-73, which is a spin-off from the budget, because Canada still operates its farming sector with a double standard. To compensate western farmers for abolishing the western grain transportation subsidy, which enriched Prairie farmers by \$560 million, they offer a direct subsidy of \$1.6 billion to offset the decline in land values.

When a ways and means motion was introduced last week concerning the Crow's Nest Pass agreement, it was a replay of the problem we had in 1982 when another Liberal government attempted to abolish the same agreement and to compensate western grain producers without compensating those in the east, in particular in Quebec. They want to base compensation to western producers on cultivated acreage, not on whether producers exported their grain in the past and even benefited from the

Crow rate. They want to compensate all western producers based on cultivated acreage.

On top of the \$1.6 billion, western farmers will receive another \$1 billion in loan guarantees and \$300 million specifically earmarked for diversification. They are subsidizing the diversification of western farm products outright. These products will directly compete with Quebec products and this is what makes no sense: that close to \$3 billion, of which 25 per cent comes from Quebec, will be dedicated to the cause of diversifying the economy in the west, which will eventually impinge on Quebec's share of the market.

An hon. member: We should give ourselves a good swift kick in the behind.

Mr. Loubier: That is the idea. And that is what the federal government is doing when it cuts some advantages and compensates one part of the country more than it should in a budget, while another region must content itself not only with a neutral budgetary position but must also assume some budget cuts without any compensation, as has happened to it time and time again. For example, the 30 per cent cut in dairy subsidies will hit Quebec the hardest. Why the hardest? Since about 50 per cent of dairy products, including cheese, yogurt and ice cream, are processed in Quebec, a large proportion of dairy producers live in that province. So let me tell you that the federal government's \$35 million cut to dairy subsidies over the next two years is hitting Quebec hard.

It could even be said that this is a special measure against Quebec and its dairy producers. Where is the compensation for this \$35 million cut? Do you know what this represents, Madam Speaker? In Quebec, this represents dairy production losses of around \$4,500 per farm on average. In ridings with many dairy farms, like my riding of Saint-Hyacinthe-Bagot, this represents losses of about \$8,000 per farm.

With annual net revenues of \$25,000 per farm at the end of the fiscal year, you can say that this federal measure without any compensation, unlike what is being done in Western Canada, reduces Quebec dairy farmers' net revenues by about 25 per cent to 30 per cent. That is the federal budget for you, and that is why we are opposing it, Madam Speaker.

An hon. member: Shame!

Mr. Loubier: Yes, it is a shame, because they tell us we must tighten our belts, while cutting \$560 million in Western Canada but compensating by injecting \$3 billion in that region. This does not make any sense.

We are also opposed to the proposed measures related to international aid. They are cutting the international aid budget by \$532 million, thus placing Canada, which already ranked pretty low in terms of the assistance provided to the millions of children who starve to death every year, at the bottom of the list of donor countries. When I see that, despite Canada's tradition of compassion, the federal government is maintaining until 1997 the \$1.5 billion in direct subsidies to business while

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cutting by \$532 million the budget to help reduce child mortality around the world, I find this simply revolting.

We oppose Bill C-73 resulting from the last budget because this budget forgets a fundamental consideration: the federal government's chronic debt problem.

(1625)

With the national debt currently standing at \$548 billion, the federal government is responsible for over 70 per cent of the public debt burden in Canada. In terms of the size of the overall public debt, the debt of all levels of government put together, Canada ranks first among G-7 countries. Not a very enviable position.

Just at the federal level, the debt is so huge that debt charges alone presently account for more than one third of the taxes paid by Quebecers and Canadians. In the case of Quebec, for example, this means that of the total amount paid by the people of Quebec in taxes of all sort, which is about \$30 billion, \$10 billion goes to pay debt charges, that is to say the interest on this huge debt.

The last budget does not provide any relief, none at all. To the point that, next year, the portion of the taxes paid by all the taxpayers in Quebec and Canada that will be required to service the debt, just to pay the interests on the federal debt, will be more than 37 per cent, or a 4 per cent increase in just one year. Before you know it, in four or five years, nearly half of the taxes paid by the taxpayers in Quebec and Canada will go to servicing the debt. If you extrapolate these figures, five or six years from now, the federal debt, which will have increased steadily since the Minister of Finance tabled this budget, will be between \$750 and \$800 billion.

If the federal debt is already a huge problem at \$548 billion, you can imagine what a problem it will be at \$800 billion. It will be a nightmare in terms of public financial management. It will be such a nightmare that the Minister of Finance tried—we can talk about the response of the financial markets—to do some window-dressing. He does not talk about the debt any more. He does not talk about it. But based on the assumptions and growth rates contained in his budget, you get this \$800 billion figure. This is not a figment of our imagination: it is reality.

Similarly, using the Minister of Finance's own calculations and the same growth rates, we arrived at the following conclusion: in five years, the percentage will be 50 per cent. In other words, the proportion of tax revenues allocated to federal programs, including transfers to provinces and individuals, and the proportion used to pay the interest on the debt will be the same. One year later, the tax revenues used to pay the interest on the debt will be greater than those allocated to federal transfers to provinces and individuals.

In the private sector, if we had a product to sell and if interest costs related to that product were greater than its value, we would have declared bankruptcy a long time ago, we would have gone belly up as they say. That will happen in five or six years, and this is what the Minister of Finance tried to hide from Canadians and Quebecers.

There are two major reasons for this enormous, chronic and inescapable federal debt. First, the federal system is obsolete. It can no longer meet the challenges of the nineties and of the year 2000; it does nothing to help the country adjust to the new international economy by being productive and competitive, by having the best possible products and skilled workers, and by striving to provide humane conditions in this new competitive environment. Such support is greatly lacking in Canada right now, but we hope to find in Quebec.

The second main reason why we have such an enormous debt is what is called the structural deficit. We are not making that up: it is mentioned in the Minister of Finance's documents and it has been for about seven years in the documents released by his department. What do these documents say?

(1630)

The Canadian economy does not generate enough jobs. Since the unemployment level for the next three years is expected to reach 9.5 per cent in Canada and about 12 per cent in Quebec, it is obvious that we have a problem here. The annual deficit and the debt increase are caused by the fact that the people who do not work do not pay taxes, which means a loss in tax revenues. This loss of revenues is reflected in the deficit and then in the debt. This is the structural component of our deficit and our debt.

What does it do? It creates a spiral: we have foregone tax revenues, a higher deficit, a steadily increasing debt, higher interest rates following incursion into the capital markets and foreign borrowing, investors demanding incentives because our debt is not under control, which means we pay more interest and our debt service costs are on the rise.

Our debt service costs are rising, which entails another increase in interest rates, the expected investments are not forthcoming and all the jobs that we were promised and that we need—we are 800,000 jobs short—will not be created. This is the structural component of our deficit and our debt, and it never changes.

Why? Because there is no major change to this structural component in what was tabled by the finance minister. It remains with all the duplications, overlapping, federal interference and, now that the federal government can no longer live beyond its means, it is reducing its vision to its means. It goes after the provinces, imposing national standards and pretending

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to have the right to do so for ever and ever. That is what flexible federalism is all about.

For all these reasons, the official opposition will reject Bill C-73 at third reading. This bill to provide borrowing authority stems directly from the budget. We, and Quebecers with us, have enough reasons to reject this bill. I remind you that 58 per cent of Quebecers are against this budget. They are convinced that it undermines job creation and economic recovery and that it does nothing to solve the basic debt problem, as I just explained. Therefore, we will reject it.

I would like to send a message to my fellow Quebecers. I would like to ask them what they want for the years to come. Do they want to continue to live in a system which will at best make decisions they will not necessarily agree with, because the Bloc represents only 25 per cent of the votes in this Parliament? Twenty-five per cent of a board of trustees, that is not much.

Do they want to go on within a system which has nothing to do any more with the image we have of a government of the 90s and beyond, with how we have been perceiving our society for the last 30 years? An image that we have tried to fashion through various constitutional conferences, through various negotiations, through various submissions in the history of Quebec?

Quebecers have been very patient. One could hardly be more patient than we have been over the past 30 years, trying to change the system a little so as to better reflect a reality that we have wanted to see reflected since 1867, that is the reality of two founding nations with some kind of recognition of Quebecers' legitimate aspirations.

Finally, we have two choices. We can stay in a system that is sinking—a big boat that is taking in water on all sides—a system that neither the federal government nor English Canada want to reform. This system may be satisfactory for English Canada, but it cannot be satisfactory for Quebecers with their particular aspirations.

Do we want to stay in this system or seize the opportunity that is offered to us this year to leave it voluntarily, maintaining the peace of mind that has motivated us over the last seven years since the failure of the Meech Lake Accord?

(1635)

Would it not be preferable to get out of this system in a democratic way and to envision a less morose future than what we have had for several years with a system that is continually slowing down and that is becoming a burden, a ball and chain for Quebec and Canada's economic advancement?

I would say that if my fellow citizens get out of this system, they must do so by ignoring the fear-mongering campaigns and

also ignoring the distorted analyses based on dubious methodologies and often containing a web of untruth.

Last week-end, I had the opportunity to take a look at one of these truncated analyses, one that distorts reality. I am talking here about the analysis made by Mr. Marcel Côté, from SECOR, and contained in a book entitled *Le rêve de la Terre promise ou le coût de l'indépendance*. That gives me an opportunity to digress somewhat, using the distorted elements of this analysis. Mr. Côté presents 15 questions on sovereignty.

[English]

Mr. Peters: Madam Speaker, I rise on a point of order. If the hon. member wishes to send a message to his constituents, he could probably use the post office or Statements by Members and not when commenting on a borrowing bill.

The Acting Speaker (Mrs. Maheu): I am sorry but that is a point of debate.

[Translation]

Mr. Loubier: Madam Speaker, I fully intend to prove that what I am saying is relevant to the budget.

I will not deal with all fifteen points raised and agreed by Mr. Côté. One is entitled to query these, however. I did select five which deserve a somewhat different treatment based on facts, on the truth, on genuine scientific methods and not on political bias and the kind of methods for which Mr. Côté is unique or occasionally, on a tissue of lies.

I will address point six in Mr. Côté's document.

Madam Speaker, since you asked the hon. member to sit down and show respect for the official opposition, I think he should show some respect for your decision as well.

Point six. Mr. Côté wonders what was the net benefit to Quebecers from the federal budget. You know what he said? Three billion. In other words, Quebecers get three billion more from the federal government than they contribute to the federal treasury. I say that is not true and is not borne out by the facts.

In 1991, when the Bélanger-Campeau Commission conducted its hearings, even André Raynauld, who is not known for his sovereignist views, concluded on the basis of a genuine analysis of public finances in Quebec and Canada that at the time, we were receiving more or less what we were paying to the federal government. In other words, the taxes we as Quebecers paid into the federal treasury and the transfer payments made by the federal government amounted to about the same, until 1988. Subsequently, we started getting less. And now, after the last two budgets and especially the last one, we see that, according to the experts where there used to be a surplus, there is now a deficit.

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Take the Unemployment Insurance Fund. There is no surplus over what employers and employees in Quebec pay in to the fund. There is now a potential loss of \$118 million. In other words, what the federal government pays in the form of unemployment insurance benefits in Quebec will be \$118 million less than was contributed by Quebec employers and employees. The same applies to transfer payments. Mr. Côté is definitely out to lunch.

(1640)

Federal transfer payments to Quebec were cut by 32 per cent for the three year period from 1994 to 1997. Therefore, in my opinion, Quebecers are currently in a deficit position when we compare the amount of taxes and income taxes that they pay to federal coffers with what the federal government spends and invests in the province of Quebec.

So, why did Mr. Côté say what he did? Do you know why? Because he took federal spending as a whole and divided it by the population. This methodology is not only dubious, it is also dishonest. As an economist, Mr. Côté has no right to make such a calculation. He does not have the right and, what makes it worse, he knows it. He knows, for example, that Quebec never gets one quarter of research and development spending or agricultural spending, and that, from 1984 to 1993, the federal government only spent 16 per cent of its total investments in Canada in the province of Quebec, although Quebec accounts for one quarter of the population. He knows this but it did not stop him from saying such rubbish.

I am happy to see that I have a few minutes more. I will go on to point 7. What does Mr. Côté say a sovereign Quebec could hope to save by eliminating overlap? No more than \$500 million.

How did Mr. Côté arrive at his figures? I am going to let you in on it. I would like to say, though, that I am almost ashamed to tell you because it puts economists in such a bad light. He took 10 per cent of the federal government's operating budget, so 10 per cent of \$18 billion is \$1.8 billion, and he multiplied it by 25 per cent, which is the population of Quebec, and he got \$500 million. Just imagine, Madam Speaker! I have never seen such an analysis, except the utterly preposterous one which the Royal Bank delivered during the Charlottetown debate, according to which almost one half of Canada's population would flee to the United States. Mr. Côté's calculations are not any better.

In 1991, the Bélanger-Campeau Commission, which used exact and scientific sector analysis methods, calculated that, for three items of expenditure alone, Quebec would save \$800 million: \$289 million in tax and income tax administration; \$233 million in the communication and transportation sectors;

\$275 million in the job training sector (this figure was issued by Gil Rémillard and Marcel Bourbeau).

Using a ludicrous methodology, Mr. Côté says that we will be lucky if we save \$500 million overall.

When we speak of duplication and overlap, we are not just speaking of administrative expenses. We are speaking of inconsistent policies, manpower policies that have the federal government going in one direction and the government of Quebec going in another, with the result that at a certain point no one knows what anyone else is doing and there is no more sustainable job creation. These are more of the costs of duplication and overlap.

The endless negotiations on regional development are another example of costly duplication and overlap. They go on for years and years, while entire regions are left hanging. This is the cost of duplication and overlap, not just ordinary administrative costs, especially according to the arbitrary and completely ridiculous method used by Mr. Côté.

Mr. Côté's eighth question was what percentage of the debt would Quebec inherit? He starts out by saying that it will be according to population, therefore 25 per cent. Why would we pay more than our share of the debt today? Why, when Quebecers are covering 23 per cent of the cost of servicing the debt now through the taxes they pay, would they take on 25 per cent the day after sovereignty? Here, already, Mr. Côté seems intent on artificially inflating the figures he is presenting. We are paying 23 per cent of the cost of servicing the debt at the present time and it is too much.

Why is it too much? Because our assets in Quebec do not justify our paying 23 per cent annually to help service the debt. And the Bélanger-Campeau Commission made it very clear, with three international observers who confirmed the commission's calculations. The proportion of assets in Quebec is 18.5 per cent, and it is therefore 18.5 per cent of the debt that the government of Quebec would inherit, with sovereignty.

(1645)

So, why did Marcel Côté ignore this fact? Why did Mr. Côté, who has a degree in economy, choose to ignore a basic fact, unless he has forgotten what he learned in his economics classes, in which case he can no longer claim to be an economics expert or write books on the costs of sovereignty with titles such as *Le rêve de la Terre promise*.

One last thing. I would like, at this stage, to say that this man really talked through his hat. He does not know the first thing about the subject and it shows. Third, Mr. Côté wonders if Quebec dairy producers could continue to sell their products to Canada at twice the world price and expect to receive what amounts to several millions in subsidy from Canadian consumers every year.

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Three things are incorrect in this short statement. First, it is incorrect to say that the price of dairy products in Canada and Quebec is twice the price on the international market. It is not true. Second, dairy production, which is subject to interprovincial distribution through quotas, is centred on processing milk to make cheese, yogurt, ice cream, mozzarella and what not. This is the part to which an act of Parliament and a federal milk subsidy apply.

If our products in Quebec were not competitive, if they were not competitive in price and quality, they would not sell on the Quebec market, they would not sell on the Ontarian market or even in some specific segments of the American market. They would not anywhere. The fact is that Quebec's milk production is quite competitive and if 50 per cent of all the industrial milk produced in Canada is currently produced in Quebec, it is because we have great producers in Quebec. We have the best, and I dare you to compare the productivity of Quebec milk producers with that of American producers.

What we have been presented with is basically a tissue of fabrications, as a scare tactic, and let me tell you that while cut-throat competition may have characterized international trade before 1947, it is no longer the case. It is no longer a free for all. There are specific rules, the GATT rules or the rules of the World Trade Organization. According to these rules, no GATT member, whether it is Canada, Quebec or the United States, regardless of its size or importance, can block the export of dairy or other products to its territory, for reasons of politics or resentment following a democratic vote by Quebecers in favour of sovereignty. So, Mr. Côté can go back to the drawing board.

As regards the issue being debated here, the official opposition will oppose Bill C-73, which provides borrowing authority to the government, since it is the direct consequence of the Minister of Finance's budget, which is fundamentally unacceptable.

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Sherbrooke—Stay in School Program.

[English]

Mr. Jake E. Hooppner (Lisgar—Marquette, Ref.): Madam Speaker, it is a privilege and probably an honour to stand in the House and speak to this borrowing bill.

I have heard a number of comments from the Liberal side and also from the hon. Bloc people. During my speech I will point out that sometimes we in the west also feel that we are mistreated and we have some reasons to gripe about things.

By now we are probably all aware that Liberal governments of the past owned the patent on borrowing. It has become clear that they know how to borrow and they love to borrow.

My brother who is a medical doctor always tells me that when you have a problem with a patient and you cannot pinpoint what exactly his ailment is you should look back into the medical history of that person, a generation or two, and see what the family history tells of their previous problems. After looking at the Liberal government we start to realize that it has a borrowing problem, probably called spendingitis. It seems to be more or less the system that it used during the seventies and early eighties.

(1650)

I would like to go back to a few comments on Liberal governments of the past so that we can put into context why we are having this problem.

When I came home from the Soviet Union in 1981, where I saw my \$3.50 wheat was being sold for \$20 a bushel to the citizens there so they could keep their livestock alive, it bothered me. What bothered me more was seeing in the local paper shortly after I got back that the Soviets were applying for credit from the western nations to a tune of \$40 billion for a period of 30 years at 4 per cent.

I thought that sounded interesting. The Liberal government at that time in 1981 were trying to bring down inflation and we were saddled with 24 per cent interest rates in the farming community. I wondered how the Soviets could try to coerce us into borrowing money at that rate.

I thought it might be interesting to read through *Hansard* and see what really happened with that request. This is what I found. This is the hon. member for Winnipeg—Assiniboia speaking on Bill C-130, an act to authorize continual financial assistance to be provided to certain international financial institutions. This is from *Hansard*, so it is recorded in history and will probably stay there for all time. It states: "I have considerable experience with CIDA and foreign aid going back to 1975 when the Liberal government tried to conceal information regarding loans to Cuba. It provided public information that the loans were being made at an interest rate of 6 per cent and higher.

However, I obtained internal documents which showed that it was concealing the interest rate being charged on loans to Cuba which was zero and 3 per cent. Also we are well aware of the low interest rate loans to the Russians for the building of a gas pipeline.

The Liberal government is borrowing money at 17 and 18 per cent and lending it to the Russians at 12 per cent. This is a great loss to the Canadian people. In addition loans are being made for the building of statues in other countries.

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In 1975 I presented a motion to the Standing Committee on External Affairs and National Defence calling for a full scale investigation into foreign aid. I did this because of all the secret documentation which had come into my hands with regard to hidden loans, hidden percentages with regard to Cuba. This of course was defeated by the Liberal members on the committee. The last thing they wanted was an investigation into CIDA. I certainly commend you, Mr. Speaker, because you were the lone Liberal to vote with the Conservatives in the committee calling for a full scale investigation into CIDA".

Does that not remind us all of what we have been hearing in the House the last while? Spend more, borrow more, try to justify it by covering it up a bit.

When I hear the Bloc members today complaining about the bad treatment they have had in the east, I would like to remind them that during the Liberal regime of the seventies, which was called the just society, we very quickly learned in the west that it meant just the east, not the west. One hundred billion dollars of national energy money was siphoned from the west into the east. If that is mistreating the east, I cannot really say where that theory came from.

(1655)

Not only was the Liberal government not too concerned about the west, but to give us a goodbye it aimed its guns at the Crow and killed it dead. However it felt a little regret so it gave us the WGTA, which I consider as the Liberal vulture of this century. What did this Liberal vulture do for us? It gave us subsidies that guaranteed railways a return on investment and also a return on operations, no matter how efficient they were. That is why today we have strikes like the one presently going on.

During this era the railways siphoned off \$7 billion in subsidies. These subsidies did not go into the pockets of farmers. They probably went toward purchasing rail lines in the U.S. Today they own more track in the U.S. than they do in Canada. The CN and the CP can deliver grain on their tracks all the way to Mexico.

The WGTA allowed the railways to enter into contracts with its workers where after eight years of work for the railway there was a lifetime guarantee of a job and pay. I wonder where the farmer has been considered and where these subsidies have gone.

During all these years of Liberal and Conservative governments, we borrowed and borrowed. That is what we are debating again today. As farmers in the west we had to contend with the dusty red grain beetle. Today another insect has entered our grain bins. I want to call it the red book worm.

This red book worm is not just eating up the grain, it has taken our bins, our machinery and our land. How we are going to exterminate it, I do not know. I do know we have to put up with it for at least another three years.

In 1984 when the Liberals turned their patent on borrowing over to the Conservatives, the national debt was \$200 billion. During the nine years of Conservative government, it was increased to \$450 billion.

It is interesting. I do not think the Liberal members in the House did too bad at that time. For their troubles and their efforts in the House, they somehow continued to build up MP pensions which today are worth \$120 million, according to the National Citizens' Coalition.

Is it any wonder that we have to borrow and borrow instead of paying some back? It makes me wonder when the taxpayer is finally going to stand up and say: "This is enough". We heard quite a bit of that recently. Maybe it is sometimes wise to let a symptom grow until it finally busts a vein or kills the whole system. That is probably what we will experience in the next Parliament.

Last session this Parliament was controlled by a party that can now get into a Honda Civic. Soon we may have another one that only needs a table for one. It is almost enlightening to witness that.

(1700)

During 1993 we in the west heard so much about this tremendous Liberal machine, this red book machine that was going to change things around just like the Mulroney government was going to do. The Liberals claimed they had the people, they had the plan: jobs, jobs, jobs. I wonder what those at the research station in Morden say after losing 40 per cent of their jobs and PSAC losing 45,000. The plan got sidetracked a little bit.

The Liberal ticket in 1993 was to jump on board; get on the Liberal train. "This is the train that is going to board at the land of opportunity and take you to the promised land of milk and honey," as the Quebec members would say. After two budgets, I think we should rename the train the Liberal train to ruin. Board at Fantasyland; pass through Hooterville and Never Never Land; final destination: Poverty Point, the land without milk, bread or money.

I had the pleasant experience of getting a phone call just before the break from the Manitoba dairy farmers and milk producers. They wanted to talk to me all of a sudden. During the election all I heard was to vote everything else but Reform. All of a sudden, these people wanted to talk to me.

I made the effort and said I would talk. I appreciate visiting. I asked them what was the concern. They said that during the election they heard the Liberals promising how they would

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protect article XI and how they would support the dairy farmer, and how they would make this thing as golden as they could for all the dairy producers. I was told that the Liberal dairy policy kicked the farmer's milk bucket over into the gutter.

They have lost 30 per cent of their subsidies. That is protecting the dairy farmer. They told me I had warned them that subsidies would have to go to, that they would have to go tariffication. It makes me feel pretty good that once in a while I do seem to side with the right people. It is not very often when you are a farmer, but in this instance I was right.

What the dairymen told me was astounding. They said they did not mind losing 30 per cent of their subsidies but the Liberal dairy policy took its dirty ugly tail and hit them another swipe right in the eyes. The Liberals did away with the funding for the genetic recording and milk allocation programs, while the United States increased the program by \$600 million. This is the level playing ground that the Liberals are giving to the dairy policy.

I can assure you I think these people will make an *x* twice before the Liberals in the next election, striking out the name and not voting for it.

Mr. Crawford: Never.

Mr. Hoepfner: We will see. I think there will be some changes made. Who knows what can happen?

I would like to clear up a few misconceptions this afternoon—if I have the time but it could take more than I have—that farmers have been getting all these transportation subsidies. I have learned a few things since I have come to sit on the transportation committee. I hope the hon. members from Quebec are listening.

(1705)

I really love Thunder Bay port because while I was farming, every time I turned on the combine it went on strike. You can see my love for that nice little port. In testimony before us at Thunder Bay, as the witnesses came before us, I was astounded I had never heard about some of these things.

Do you know that a pilot who gets on a ship at Montreal and takes that ship through the locks and the lakes up to Thunder Bay charges just approximately \$2.65 a tonne for his services? This is 15 per cent of the total freight cost from Thunder Bay to northern Europe. These pilots—I call them pirates, not pilots—charge a range of from \$3,800 to \$5,000 a day. That is where grain transportation subsidies are going. No farmer, no manufacturer, no producer or processor ever can expect wages like that. That is not the whole side of that story.

This pilot association is run by a federal crown corporation which over the last 20 years has cost the taxpayer \$50 million. This year, that corporation is going to be in debt to the tune of \$5 to \$7 million. Are you surprised why we have to continue borrowing? This borrowing disease, this spending—it is going

to bankrupt this country one of these days. I am wondering what labour unions will say then.

Another few interesting facts I found out, usually when we talk of \$500 million in transportation subsidies to farmers, that is all somewhere in the farmer's pocket or bankbook. I will throw in a few more figures and tell you what fair treatment we do get by some of our terminals.

In Thunder Bay, Cargill Grain pays \$1.002 million in property taxes. A couple of hundred kilometres down the road at Duluth, \$64,000 is paid. Then we wonder why farmers are looking south of the border to try to move some grain.

I will give some stats I received at these hearings. They are based on tonnages of storage and property tax per tonne. At Vancouver it costs \$6.27 per tonne of storage for property taxes. At Thunder Bay it costs \$8.03 per tonne of storage for a terminal. At Duluth it costs the American farmer 27 cents. AGP, Inc., another grain terminal, is paying 15 cents. And we as farmers are being accused of taking subsidies. These subsidies are going to taxes that have been developed by overspending, mismanagement and corruption.

I want to tell the Liberal members from the west coast when the transport minister talks of becoming a market economy and becoming more efficient, the farmers with some government help did build the Prince Rupert high throughput elevator so that we could move grain faster. But what has happened there? Because we can move it faster than Vancouver, we are not paying \$6.27 per tonne. We are paying \$16.43 per tonne for property taxes. Now tell me, how do you think the producer can stay alive with those types of inconsistencies and discrimination?

The story does not end at Thunder Bay. Manitoba Pool Elevators testified and pointed out that for the same type of operation in Thunder Bay, it also paid \$110,196 in corporation taxes. In British Columbia \$18,615 was paid for the same amount of operations.

(1710)

After hearing these figures when the labour unions came before us I could hardly sit still. I told those gentlemen that I knew a lot of times we in the west were being downtrodden but I never thought it was that bad. I said that when I went home I would tell every grain farmer not to ship one more bushel of grain through Thunder Bay because I am fed up with it. If I have to, I will take every bushel of grain to Churchill by dogsled before I will ship a bushel to Thunder Bay. Something people have to start realizing is that things have to change or there will be no producers left.

If they want to realize why we have to borrow because of this WGTA, which I called the vulture, in testimony before the standing committee on agriculture Ted Allen said that they have not rationalized the rail system or the elevator system in a very significant way or as significantly as they should have for about

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10 years because the Western Grain Transportation Act encouraged them not to make those changes.

Now we have a system that is 10 years behind the American system. This Liberal government is throwing the whole mess on the farmers' backs saying: "Fix it. We got you into the mess. Here it is. Help yourselves". It astounds me that politicians cannot see that if they do not have producers or manufacturers they do not need a rail system. One of these days we will smarten up and realize that.

How inefficient is this system? I would like to read a few statements made by Ted Allen. Last summer he said: "We moved two vessels seven times to different terminals for a load of barley. It took a long time. Every time one of these vessels moved one way, it cost \$18,000". Now you are trying to tell me that is the farmers' way of doing business?

A 25,000 tonne vessel went to Mexico in November 1994 on which there was loaded 9,000 tonnes of No. 1 Red, 5,000 tonnes of No. 2 Red and the balance, less than half, was No. 3 Red. Who do you think paid for that? The western farmer.

This government tries to tell us that Mexico is dictating to us telling us to take the subsidies off grain transportation or it will not buy. Something is wrong in this country when a government that has a \$2.5 billion trade surplus with us tells us what we have to do.

I have raised four children and four grandsons. When I see my wife giving an equal number of crayons to the youngsters to play with and one of them says: "My colour is not right, I want yours," and the other child does not ask for one in return, very soon one of the kids is without crayons. That is exactly what has happened to our agriculture policy. Everybody has taken our crayons and now we have nothing left to colour with. It is sad but it is a fact.

There are a few other statements I would like to read. I was pleased last December when the transport minister acknowledged that labour on the Canadian railways was 64 per cent as efficient as the U.S. We were losing about 40 per cent efficiency in the labour force on the train system.

Using simple mathematics, I have used 50 per cent, giving them the benefit of the doubt. If 50 per cent of the labour costs are wasted, out of the 22 million tonnes of grain we export and the \$10 million we ship internally farmers lose \$220 million. That sounds as if the farmers are getting rich on transportation subsidies.

(1715)

Not only that, there is good reason to wonder why the grain elevator system tariffs are as high as they are. When we compare the results of shipping through the U.S. on terminal and primary elevator tariffs, we lose roughly another \$360 million. There is over \$500 million gone right there. Where are farmers putting the money into their pockets? I hope someday we become honest enough to look at these problems and address them so we can resolve them.

It is always encouraging to see some people trying to solve these problems. I am impressed with some of the statements we have heard from members on the opposite side. I think if they would really buckle down and do what they are saying, a lot of things would get resolved.

Verbal agreements or promotions of some things are not as good as the real thing. I was not surprised by some of the statistics in the papers when Team Canada went off to Europe. It was to really promote some industries and get some extra business for this country.

I could not believe some of the results that came back from that meeting. I had been talking in the House about the agriculture subsidies, the boneless beef coming into Canada and how the GATT had more or less set quotas of 75,000 tonnes. Then I saw the trade minister in Australia and New Zealand promoting more offshore beef into this country while we were being told at the same time to diversify by increasing beef and pork production.

I have seen them over import 30—some thousand tonnes of boneless beef which was more than the GATT organizations had set for a quota; 30,000 tonnes went straight from Canada into the U.S. It reminds me very much of the cap that was put on our wheat because of our wheat board and grain companies dumping grain.

The problem here again is that Australia and New Zealand have a \$300 million trade surplus with us. We are borrowing this money. What are we paying for interest? What is it costing us for jobs? Five jobs are lost for every boner cow exported to the U.S. instead of doing it ourselves. Is this job creation?

It really took the cake when Xcan, which I imagine was a member of the Team Canada approach, went to China and probably started looking at investment opportunities. There was a news release on March 2. This astounds me: "Pools pull out of China project".

(1720)

The three prairie wheat pools have decided to drop out of a malting barley plant development in China. The pools, along with the ITI world investment group, were negotiating with the Chinese to build a \$58.8 million malting plant in Qingdao, China. Barley would be sourced in Canada and Chinese beer would be brought back into this country. That is diversification. That is the type of support we get from our own agriculture community. Where do we go next?

I would like to dwell for a few minutes on an issue that has been very near and dear to my heart, the inquiry I asked the justice minister to make into the dumping of Canadian wheat into the U.S. I provided the facts I had from farmers who had taken samples and had given me the information. I acquired the documents from the U.S. customs people on what had happened. When I found out that \$3.50 a bushel of wheat was being exported into the U.S. by Sask-Pool at \$2.02 to \$2.05, I could not believe it. For every bushel of grain that we are exporting at

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that price into the U.S. we are hurting our own economy because we are losing millions of dollars that could be running our country and promoting more industry.

When this hit the news the co-operator phoned Lorne Hehn, the chief commissioner for the Canadian Wheat Board. Mr. Hehn said: "Sales of 1992 wheat to American companies could have lowered prices or plugged individual elevators, but I don't believe our sales into those areas really impacted on the price in a negative way". One can dump grain at lower prices and plug elevators and it is still not impacting in a negative way. This is his reason: "We were very careful about that factor. Prices for feed wheat rose during the year, while large Canadian sales were being made so that proves that price pressure was not there".

When in an up market we can dump grain into the U.S. at half price and the market continues to go up, how is that helping our country? Can members see why American farmers are furious? I do not blame them one bit. It is unbelievable but those are the words of Mr. Hehn.

What do we do about it? I have waited for two months now to see what is going to happen and so far nothing has happened. I made a challenge under that news release on behalf of the pasta producers in western Canada. They came to see me around the middle of November, claiming this heavily subsidized pasta from Italy was coming into our country and they could not afford to process at that price any more.

When I showed my facts and figures to the prairie pools which were a little upset about my claims, I do not know what happened. They all of a sudden sat back and had no answers. This is what is happening in our pasta industry today.

We sell durum wheat to the Americans for the pasta industry. We sell it to the Italians. The Americans bring back into this country on a yearly basis about 40.896 million kilograms of pasta for a value of \$84 million. This pasta is costing us about \$2 per kilogram. The Italians ship in 17 million kilograms of pasta at \$19 million, about half the price the Americans are putting their pasta into this country for.

(1725)

I asked representatives at the prairie pools if they could explain how we can sell durum wheat to Italy, ship it over there, have it manufactured and bring it back into this country for half the price. It is not subsidized. They just shook their heads and said they have no explanation.

Do we know what that means in Canadian dollars? I wish somebody would figure it out. Italy has a \$982 million trade surplus with Canada. We are borrowing almost a billion dollars to have the Italians process pasta and then ship it back into our country and we pay the interest. That is supposed to build a country? That is supposed to help us diversify? I wonder how. I hope somebody can explain that to me.

We have heard so much about R and D, about where the money is really coming from. The Reform Party has said time and time again that R and D is one of the most important things and we will never cut that back.

Here is a statement a Liberal member made in Manitoba. I feel these people do have a grip on things but they are afraid to stand up for what they believe in. The government member needs to focus on the fact that dollars spent on research and development are returned 10:1 in the livestock field and 40:1 in grain. He said currently only 17 per cent of government spending on agriculture goes to R and D. What an enlightening statement from an hon. Liberal member.

I will point out what the government has done for R and D. While a budget background document cites a 11 per cent cut to agriculture research, almost half the total, 2,069, job cuts came in research; 779 research scientists will retire or join the UI fleet; 138 vacancies will not be filled. While the white coats may have been hit hard by the budget, the white collars survived relatively unscathed; 149 full time positions were removed from the corporate services. The fat in Ottawa continues while people in the rest of the country get cut.

I encourage members to not only stand up and make comments but provide action. History will record it, no matter how we joke about it. When I read in *Hansard* about what took place in the 1970s and 1980s, it is there forever, and that is exactly what is going to happen here.

[Translation]

The Acting Speaker (Mrs. Maheu): I wish to remind the House that we are now starting the five hours of debate. Each speaker will have 20 minutes followed by a 10 minute period for questions and comments.

[English]

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I will be sharing my time with my hon. colleague for Waterloo. I have been listening to my fellow colleagues from the Bloc and the Reform. I felt very depressed when they talked about history and all the things that have gone wrong in the country.

(1730)

The reality is we have a very good and very strong country with a bright future. It is five years before the 21st century and it

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is time to focus on how we need to change. We have had a good history together but there are things that have to change in the country. That is what the budget and the borrowing authority are linked together to do.

My colleagues have possibly missed the real point of the budget. I became involved in politics and came to the House for some of the very fundamental reasons we are discussing today. I was very concerned about where our country was going economically.

I can see where we have overborrowed and where we have made lots of mistakes. We made genuine mistakes because we wanted to do the right things. In some ways they went askew but we are learning the process of government. The budget is an attempt to address how we will change. I would like to deal with the basic concept of how the budget is about change and about a new future for Canada.

I took the time to go to my riding where I conducted a number of tax forums with the professional community and lay people. While there were some exceptions to parts of the budget, they were all very supportive. They said that it was about time a government had taken leadership to try to move us away from our debt and deficit problems to a new tomorrow. The younger generations were concerned that they would never have better incomes or a better way of life than their parents. These negative aspects existed prior to the budget. The country feels a lot better today because of the actions of the Minister of Finance.

In what ways are we changing? We could talk about the history of the country which is good. I am a great believer in history. The lessons of the past teach us a lot about the future. Also some of the things we did in the past have not worked very well.

Basically the budget is about seeing government a little differently than we possibly have in the past. We see government today as being a referee of the country, a referee between business groups and individuals, making certain that people disenfranchised by the system become part of the system and making certain that the wealthy do not abuse their power. Some things in the budget try to strike a path toward the 21st century in which all Canadians can share.

How is the budget different? I do not remember a government bringing in a budget like the one for this fiscal year which was \$2 billion lower than projected. I do not remember that in my lifetime. We have developed a whole culture of assuming that every time a government brings down a budget it will overshoot it. The government did just the reverse and the people of Canada are happy about it.

How are some of the things we have done in the past being addressed in the budget? We have a bloated civil service. It is not the fault of people in the civil service. Nor is it the fault of anyone in particular. It just happened. It happened in all other governmental administrations in the western world.

Technology has caught up to Canada. Sometimes it caught up with us a lot faster than we wanted it to. In some ways people are having problems with job security because the country is being pushed into a technological framework with which we have to deal. It is global. It not only affects Canada. It affects all countries of the world. We will either be part of it or we will be washed up on the shores of disaster by not taking it into account.

We need to restructure the civil service in fundamental ways. Not only do we need to reduce some of the numbers within the civil service. We need to do it equitably as well.

(1735)

There is a human side to the downsizing buzzword. There are real people involved. The government is committed to finding approaches to retraining and to finding new entrepreneurial skills so people will be able to share in the massive expansion of our labour market which saw over 422,000 new jobs created last year.

By restructuring the civil service we are also talking about a new way of government. We want the civil service to be more responsive to the needs and the desires not only of government but of the people generally. It should be responsive to the needs of the community. We need more quantifiable measurement tools to remunerate people and progress them based on their success. This is healthy for government and for the civil service because it gives them a future and it gives them a challenge. After all, that is what most human animals really want.

What other areas do we need to change? The government has come to the conclusion that it cannot be an interventionist in the economy any more. In past times it has worked; new industries and so forth have been created. Today we simply cannot afford it and it has not been very efficient. I think governments are realizing that business can run business a lot better than they can. That does not mean we give a total licence to business. It means that we temper it and recognize the rights of citizens. At the same time we realize that governments should simply govern and business should do business.

How is this affected by the last budget? Clearly privatization of CN is one such aspect. Another one is the possible sell off of Petro-Canada. In a number of other areas the government will gradually withdraw and allow the private sector to make up the difference. It is good for the economy and it is good for the taxpayers of Canada.

That came through loud and clear before the budget, indeed in the last two or three years. Canadians feel overtaxed. They do not think they are getting value for their tax dollars. They want us to be more efficient. That is what the budget was all about.

We are downsizing. We are also cutting out subsidies to industry. Different types of people are living off the governmental system. One is industry living on subsidies and getting grants. These things will be curtailed. Most people in the

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business community recognize that it is no way to run a business.

I referred to subsidies. We talked about rail subsidies with which I will deal in a minute. There are also grain subsidies. The first intentions of a subsidy program are usually good. We want to encourage some kind of action. Unfortunately what invariably happens—and history has told us—is that it becomes a dependency. It distorts trade.

We have heard from many members about grain travelling all the way to Thunder Bay when it is on its way to California from Regina. These are some of the ridiculous aspects of subsidization. We need to create value added products in Canada and I believe by reducing subsidies we will do just that.

Industrial milk production is another area that will be curtailed by subsidy programs. We need to become more competitive. GATT has told us that we will have to be part of an international marketplace. Gradually reducing tariffs is a way to make the Canadian economy much more efficient.

The rail industry is on our mind these days. Much like government it has some prehistoric systems within its employment structure. Some of the contracts entered into harken back over 100 years to a guild system. I understand there are still blacksmiths in some machine shops in Toronto. We pay people to be blacksmiths even though the whole industry has disappeared. We must revisit the contracts that people have with the government through crown corporations. We cannot let job security ruin the security of the whole country.

(1740)

We have to revisit these matters. We have to retool the country. We have to make it whole again. That is what the budget was all about. It was positive in terms of change for Canada and for the people of Canada.

[*Translation*]

Mr. Jean-Guy Chrétiën (Frontenac, BQ): Madam Speaker, I listened with great interest to my colleague from the government party. It is quite surprising since on the front page of this morning's *Le Droit*, a veteran of this party is described as a lion that turned into a mouse.

How things change. When the hon. member for Glengarry—Prescott—Russell sat on this side, he was a member of the so-called “rat pack”. He was a very dedicated member, especially for his constituents, including the many farmers in his riding. The article says that the hon. member “was uncompromising on agricultural issues, denouncing all the measures likely to affect the farmers making up a large part of his constituency. Today he never opens his mouth”.

My colleague from the Liberal Party has 1,001 good things to say about the budget tabled a few weeks ago, for which we now have to provide borrowing authority. He is currently sitting on the government side. In four or eight years at the most, he will find himself on this side of the House, or elsewhere looking for employment. However, with some members of his party finding themselves again on the opposition side, he will rediscover his old rhetoric as a member of the opposition. I ask him whether he is really sincere in listing all the good things about the budget?

[*English*]

Mr. Shepherd: Madam Speaker, the hon. member of Glengarry—Prescott—Russell is still very much a lion in the House. I have heard him at various times assaulting the policies of the member's party and I think he does it quite well.

Talking about absenteeism, we have in our minds how much space we will have on this side of the House at the end of June. We are certainly looking forward to it. I could certainly use a lot more space when I conduct my business. I would be happy to observe that when we come back.

It is a borrowing bill. I would be happy to stand in the House some year when there is no borrowing bill. That is where the budget is taking the country. It will reduce the need to borrow on the market and hopefully get the country in the position where it can actually calculate surpluses.

That is what this is all about. I am sorry if my colleague has missed that.

Mr. Andrew Telegdi (Waterloo, Lib.): Madam Speaker, I am pleased to have the opportunity to speak in favour of Bill C-73 and to express my thoughts on the budget delivered by the finance minister on February 27.

I will make a short response to the comments made by the Bloc Québécois and the Reform Party in debate. It is worth recalling the climate or the mood in the country before the budget was brought down on February 27 and the political instability posed by the possibility of Quebec separation, which continues to be a problem.

The BQ complains that we cut too much and that we singled out Quebec for the cuts. The Reform Party claims we did not cut enough and that we were unfair to western Canada. If Bob Rae, the New Democratic premier of Ontario, had his say, he would tell us the budget was unfair to Ontario.

(1745)

These three groups were disappointed by what happened in the budget. The BQ is disappointed because the budget is no help to it in the upcoming referendum, where it will destroy Canada as we know it, as well as the economy of Quebec. The Reform Party found that its tax revolt did not materialize. The Reform Party has been doing its best to add a couple of percentage points

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to borrowing costs by forever preaching that our fiscal situation is not sound. As for Bob Rae, he is also disappointed because he does not have a launching pad for the election in Ontario.

The finance minister is putting Canada's fiscal house in order. The budget outlines concrete measures for real deficit reduction and fulfils commitments made by the Liberal Party during the election campaign. The government had to make difficult decisions in the budget process. The Kitchener-Waterloo *Record* from my community said the budget showed how tough it is to eliminate the deficit. The budget is tough but it is also fair. Everyone must share the burden of deficit reduction.

The Minister of Finance has worked hard to ensure that spending reductions are balanced evenly in all regions. The government's deficit targets are reasonable and achievable. The Reform Party should learn from the lessons of previous governments. We cannot balance the budget with unrealistic deficit targets.

Over the last few months I have spoken to many constituents about what they wanted in the budget. They wanted the government to reduce the deficit through spending cuts and not through tax increases to the average citizen; do not tax health or dental plan benefits; do not tax RRSP contributions; increase taxes on large and profitable corporations; make the public service more efficient and effective; eliminate the waste of hard earned tax dollars.

The budget shows the government has listened to the concerns of ordinary citizens. The Minister of Finance has focused his efforts on spending cuts. He recognizes the heavy tax burden borne by average Canadians. The minister has not raised personal income tax rates and has not taxed health or dental plan benefits. For most Canadians the RRSP contribution limit has not changed. The budget also makes taxation more equitable. Large corporations will pay their fair share of taxes. The profitable banks will pay a new temporary tax. The taxation of family trusts will be tightened. Individuals will no longer be able to defer tax on business or professional income.

The Minister of Finance has also made a commitment to reduce the size of government and eliminate unnecessary expenditures. The minister has said a basic philosophy of program review was the federal government should not be doing what someone else can do better.

I urge the government to stop the military's rip off of taxpayers' dollars by inefficient management of government moves. The government should implement its own reports and contract out move management, as was recommended by so many of the government's committees.

The government has consolidated its transfers to the provinces for health, post-secondary education and social assis-

tance. The new Canada social transfers will be more effective and more sustainable than the old program funding. The CST will mean a drop of about 3 per cent of provincial revenues. However, it will also give the provinces more flexibility to structure and innovate their social programs.

This small change in funding to the provinces will not affect medicare. The federal government will still enforce national standards for health care. Medicare will continue to be universal, comprehensive, portable and accessible.

The government has protected the average senior citizen with full indexation to protect them from inflation and old age security on the basis of family income.

Education is an important concern to my constituents. The riding of Waterloo includes the campus of Conestoga College and two of Canada's leading universities, the University of Waterloo and Wilfrid Laurier University. The concentration of post-secondary students in the Waterloo region is the highest in the country.

Post-secondary institutions have played a crucial role in my community's economy. The residence of the Waterloo riding are proud of Canada's record of excellence in post-secondary education. They also know our education system must continue to develop in order to meet the challenges of the next century.

(1750)

I am pleased the government has reaffirmed its commitment to our internationally renowned system of higher education. We need to ensure our post-secondary institutions are accessible to our youth who must compete in the international marketplace. We must maintain accessibility through the income contingent loan repayment scheme.

The University of Waterloo and Wilfrid Laurier University are renowned for excellence in research. Because of their efforts the Waterloo area has become a breeding ground for entrepreneurs and information technology.

Waterloo riding is home to 125 export oriented information technology companies. These companies have revenues of more than \$600 million annually and employ 5,500 people in knowledge based jobs. By the year 2000 they project that 25,000 to 30,000 people in the Waterloo region will be working in the area of information technology.

It is imperative when we talk about wealth generation that we recognize our post-secondary institutions are vital to this effort. The government must make a strategic long term investment in wealth creation through research funding. The government has worked hard to limit the cuts to research and development. This is not enough. I encourage the Minister of Finance to do everything possible in these difficult times to continue to fund vital research that will help us compete in the next century.

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My constituents and all Canadians demanded a fair and equitable budget. This is what the government has delivered.

There is an area in the budget on which I must express a bit of personal disappointment, the budget of the Solicitor General. That is one area which was not cut. There was a slight increase.

I am concerned that there is more and more push in the climate of the House for longer sentences and putting more people in jail. This is a waste of resources. It costs much more to keep somebody in a federal penitentiary than to put somebody through a Ph.D. program. There are far too many people serving time in jail for non-violent crimes.

There are much better ways of dealing with that. I hope in this session we will start working toward that and start implementing some programs we have talked about in the House such as crime prevention and community safety. We know every dollar we spend on prevention results in savings of \$5 to \$6 at the end of the line and we are not wasting the money on penitentiaries.

Last year Canada once again was declared the best country in the world in which to live. The job we in the House have, not just the Liberals but all parties, is to make sure Canadians from coast to coast and in every province enjoy that kind of lifestyle in the future.

[Translation]

Mr. Gilbert Fillion (Chicoutimi, BQ): Madam Speaker, I listened carefully to the remarks of my colleague. I will especially dwell on his two or three first sentences. He said without any distinction that the current instability in Canada was the result of the actions of the Bloc Québécois here, in this House. I am sorry but I think that all the Bloc Québécois has done since its advent has been to inform Canadians of the position they are really in.

I say that the political instability in Canada only reflects the situation of the federal system. I do not want to address again here all the issues that we raised, but I will simply go back to the theme of the debt.

The debt has become so huge that the federal government is forced to borrow overseas to meet its commitments. It is as if one of my constituents visited his or her bank manager each and every year to ask for a loan to be able to keep afloat and assume his or her family obligations.

The instability also stems from the written word, from the daily newspaper reports.

(1755)

Instability was created, in January 1995, when the *Wall Street Journal*, New York's main financial newspaper which investors from all over the world refer to, compared Canada to a third

world country. It openly evoked the possibility that Canada could go bankrupt. The Bloc Québécois did not bring Canada to that level. No.

My question is this: It is easy to see that, due to the budget, Canadians are now taxed more, \$2.2 billion more. One cannot deny that, or that cuts of \$13.4 billion will be made over two years. This is not the work of the Bloc Québécois. Cuts will be made, but not in the right places.

The government also offloaded some expenditures onto the provinces, so it taxed, cut and transferred other things, raising the debt by 17.4 per cent over three years. So much for putting our financial house in order according to the current government. Is this the direction in which the federalism will go? If so, the solution we have in Quebec is to become sovereign.

[English]

Mr. Telegdi: Madam Speaker, I want to thank my hon. friend for his question. There is no question there is instability when we are talking about the political liability of Canada.

Let me refer to something which appeared in the *Globe and Mail* today: "Quebec's economy would collapse like a house of cards after a yes vote in the referendum, and Canada's would not fare much better, a respected economist predicts in a new book. Marcel Côté, a senior partner with Groupe Sécour and a former economic adviser to Canadian Prime Ministers and Quebec premiers, writes that a sovereign Quebec would be pummeled by an unprecedented convergence of negative economic factors". Of course it would not help Canada either.

We have some negative forces, one being separation. It hurts the average citizen who tries to borrow money. It hurts government but it hurts the person who has a \$100,000 mortgage and has to pay a higher premium. It is not assisted any by the Reform Party which is trying to say our economy is unstable.

We are not a third world country. The member is gravely misinformed if he believes we are. We are a country that was judged by the United Nations for the second time as the best country in the world in which to live. That is what Canada is.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Madam Speaker, one thing we have to realize, when we talk about a bill to provide borrowing authority to the government, is that the borrowed money will be used to implement the measures announced in the government's budget. So, you will understand why most of my comments will focus on the budget that was tabled in this House by the finance minister and that has been the topic of a lot of our discussions these last few weeks. It is important to demystify a few things, because Canadians no longer know what to think about the budget that was tabled.

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First, I want to make my position very clear: The Minister of Finance has not reduced the annual deficit enough to deal with the public debt. I will elaborate on this a little later on. In order to reduce the annual deficit, the finance minister offloaded the federal expenditures onto the provinces, which does not do a thing to improve the debt situation of the Canadian people.

Thirdly, the Minister of Finance and the Liberal government have cut federal expenditures, but for the most part, they did not cut in the right place. I will show in which areas the members of the Bloc Québécois, the official opposition, would have liked the government and the finance minister to cut.

(1800)

Lastly, the Minister of Finance missed a really good opportunity not to increase the tax revenues from large corporations in a way that would have protected the average citizens, the middle class and the underprivileged in our society who, unfortunately, have always borne the brunt of the decisions made by the various finance ministers over the years.

Let us go back to the deficit issue. I said earlier that we think the Minister of Finance did not reduce the deficit enough. If we use the federal finance minister's own figures, we can see that, by the year 2000, Canada's total debt, including the present debt and the annual deficits forecast by the minister, will have reached a staggering \$800 billion.

It must be understood that this \$800 billion represents an increase compared to the recent estimate of the debt at \$300 billion. So an extra \$300 billion will be added to the debt between now and the year 2000, plus annual interest payments of, say, 8 per cent on this \$300 billion, which is a rather conservative assumption.

It is not difficult to understand why anybody in Canada and elsewhere in the world—my colleague from Chicoutimi mentioned the *Wall Street Journal* a while ago—who watches closely what is going on on the public scene can see that, under the existing structure, Canada's uncontrolled and almost uncontrollable debt will become such a heavy burden that it will gobble up most of the money we hope will be generated by economic growth, money that would normally be used to create jobs, to stimulate research and development, to promote economic development and to provide services to Canadians. According to the finance minister's own figures, the federal debt will reach \$800 billion, which is beyond comprehension at this point in time. So that is one problem.

Interestingly enough, the Minister of Finance did manage to reduce to \$25 billion an astronomical deficit of some \$38 or \$40 billion. That target is commendable and worthwhile. Yes, this is interesting; and no, it is not an easy task. But he may have been prevented from doing even better by the sheer weight of the federal system. Or his efforts may have been thwarted, as I am trying to demonstrate, by the government's refusal to really deal with the ills that are eroding our financial situation in Canada.

Because of that, the debt burden will grow heavier as years go by and will soon become unbearable.

I said at the outset that, when the government reduced its deficit, it did not go about it the right way. In fact, the most important and significant move of the Minister of Finance and his government to reduce the deficit was to transfer to provincial governments expenses of some \$7 billion that will no longer be met by the federal government. But the Canadian government will still set national standards, shift its own responsibilities to provinces, cut their funding and leave them scrambling to deal with that \$7 billion loss.

(1805)

What a lack of courage on the part of both the minister and the government. Instead of taking the drastic measures that are needed to reduce the costs of its own administration, the government simply decided—this was really too easy—to reduce funding by \$7 billion and shift the burden to the provinces. It leaves that problem in the hands of provincial governments which will have to do what it did not have the guts to do.

The Minister of Finance and the Prime Minister know perfectly well that, this year and more particularly next year, provincial governments will have to do the work the government of Canada refused and did not have the courage to do.

Just imagine the reaction of the citizens listening to us when the Canadian Minister of Finance tells them there will be \$7 billion less spending in the federal budget and that he feels the government has done its job.

As for the ineffable Minister of Intergovernmental Affairs, he simply stated on one of his visits to Quebec City: "We have done our job; now it is up to the provinces to do theirs. Our clean-up job is done". Can you imagine: "Our clean-up job is done. We swept the dust into the neighbour's apartment". That is the original way the federal government has found to reduce its deficit: offloading it onto the provinces.

What is the difference, as far as the citizen of Quebec, for example, or of any other province is concerned? Deficits are run up at both the provincial and the federal levels, and they add up to a deficit he still has to pay in full. Just imagine that citizen today when the Canadian Minister of Finance tells him: "Rejoice, my dear fellow citizen, we reduced our share of the deficit". He should continue, saying: "Sorry, my dear fellow citizen, I just shifted that share to the provincial government, in your name". What a great operation. It reflects an unspeakable lack of courage.

Furthermore, for the last 15 months, the opposition has been constantly asking the government to take the drastic measures needed to reduce this tremendous deficit. We have constantly asked the government to sit down with members from all parties to set up a working committee to undertake an item by item review of all government expenditures. One has only to look at the Auditor General's report to notice the wasting of tens of

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millions of dollars through mismanagement. The government never took any heed of that suggestion.

Instead, it is the Minister of Intergovernmental Affairs who took charge of the exercise and ended up finding some things to cut here and there. He finally decided to cut 45,000 civil servants, and this was the biggest part of the budget. The federal government will lay off 45,000 civil servants.

What it forgot to ensure is how the work will be done after these 45,000 civil servants have been laid off. The government will do what it has always done, that is turn to contractors in order to do the job usually done by regular employees. What will be the result of these cuts? The savings made by the left hand will be spent by the right hand a few months later.

How do you want the people who are watching us, who are fed up with these hollow words, not to get worried when they see this government bragging about the fact that it has succeeded in reducing the size of the public service, and know that it will probably rehire as contractors friends of the regime to do the same job.

(1810)

In reducing the public service, the government should have met the following conditions: first, that it be done after a large consensus had been reached in society as a whole, including the unions concerned by this operation. The unions can also understand that the government has objectives to reach. And I believe that we could have formed, in a common effort with employers and unions as well as representatives of the government and the opposition, a discussion group which would have taken on the task not of eliminating a certain number of civil servants to be replaced by an equivalent number of contractors, but of eliminating unnecessary government activities.

Government employees are aware of dozens and dozens of areas where the government is literally wasting taxpayers' money through duplications and by putting in place a process so cumbersome and so complex that it is a waste of efforts and money. Instead, we should have worked with all those concerned to scrutinize government spending in order to find waste and mismanagement within the huge federal government machinery.

Unfortunately, the government is saying: "We are going to put 45,000 civil servants out of work. Give us the credit. We have done our job". And the Minister of Intergovernmental Affairs adds: "We did our job and now the provinces have to do theirs".

Frankly, one must know nothing about public administration to address problems in such a casual manner and to make speeches in order to put forward great principles like those which make nice headlines but which, in fact, do not bring any solutions.

Let us look at another area where the government has decided to make cutbacks. I was saying that the government had made cutbacks in the wrong areas. What was its main target in the last budget and the previous one? The unemployed, the most vulnerable members of our society were the most affected. And I challenge all the Liberals opposite to tell us that the unemployed were not the main victims of this government in the last two budgets.

I remember quite well Liberal Party speeches, and letters signed by the present Prime Minister, who was then Leader of the Opposition, where unemployment insurance cuts, implemented by the Tories, were condemned in no uncertain terms. The Liberals said they were outraged to see the Tories so lacking in imagination that they found no other way to solve the fiscal problems of the country but to pick on the have-nots of our society.

In my region, Saguenay—Lac-Saint-Jean, I remember the member for Jonquière almost left the Conservative caucus because he disagreed so earnestly with the proposals of his party. The Liberals disagreed with these proposals and denounced them. They made several promises to the Canadians during the last election campaign.

And, in their last two budgets, the one group they treated most harshly were not the civil servants, not the banks, not the rich families who profit from the family trusts, and not the businesses which often pay no taxes at all, but the unemployed Canadians.

Allow me to say, since there is so little imagination on the other side, that the Minister of Finance seems very proud of the cuts he made in some government expenditures. Why did he not cut in the army reserve force when we all know it is the second most expensive in the world? It is very simple, we have the most expensive reserve after Switzerland, an extremely wealthy country compared to Canada. The Canadian reserve is the most expensive; it costs nearly one billion dollars, and that amount is spent very inefficiently.

Why? Instead of taking \$700 million away from the unemployed, why did we not think about the Canadian reserve? Why did we not try to get 300 or 400 million dollars out of a reserve force which is totally inefficient, according to the Auditor General and the observers?

(1815)

Why not? God only knows. The Minister of Finance's conscience is clear. He did his job of making cuts. However, we keep saying he cut in the wrong place. How do you explain the

Auditor General's criticism, month after month, year after year, that it is impossible to establish with certainty which native populations are receiving fairly major funding through agreements with the federal government for native businesses? Everyone is wondering why the federal government does not take an exact census with native bands before transferring the money.

Nothing has been done. What effort have you seen the government make to try at least to ensure that this money is properly spent, that the native people are receiving their due and that the money is being given on a basis that is really fair for all other Canadians? None, none. This sort of thing is of no interest to the Minister of Finance. I must also tell you that, in addition to insufficiently cutting his deficit, in addition to doing it wrong, by dumping it in the laps of the provinces, in addition to cutting expenses for the wrong people and in the wrong place, the Minister of Finance and his government refused to increase revenues where money was to be found.

This is a fine state of affairs. You tell me who feeds me, Madam Speaker, and I will tell you who gets my loyalty. How is it that this government and this Minister of Finance were so timid in setting up measures to obtain money that might have helped Canada through its difficulties? Why were the banks—which, by the way, made together some \$4 billion in profits—asked to make a temporary effort of \$100 million?

Just imagine how much money is available there. These corporations are saving a lot in taxes. Considering the circumstances, they are fabulously rich. They are getting richer and richer while most Canadians are getting poorer. In a context of justice and equitable sharing, should not a responsible government distribute fairly fiscal funds? I conclude since I see my time is up. It is unfortunate because I still have a lot of recommendations to make to the government. Why did the government spare banks and large corporations from paying their share of taxes? Why did it give family trust holders four years to stash their money elsewhere? This is outrageous.

In concluding, I will simply state that the two Canadas did not see the budget the same way. As for the rest of Canada, opinion polls indicate that 60 per cent of Atlantic Canadians think it is a good budget, as well as 55 per cent of Ontarians, 54 per cent of Prairie residents and 51 per cent of British Columbia residents, whereas in Quebec, 57 per cent think it is not.

[*English*]

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I would like to ask my colleague from Roberval a number of questions. He mentioned he was not good at numbers and I would have to agree with him.

He talked about the deficit climbing up to \$800 billion. What he seems to ignore is we have a thing in this economy called growth. Canada is one of the fastest growing economies in the western world right now. If he actually applied an element of

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growth he would see that deficit start reducing under the finance minister's plan.

He also talked about his great imagination. It is very true. He does have a terrific imagination. The federal government basically collects money on behalf of the provinces. That is part of the constitutionality of this country.

Everyone realizes all governments are in this together and we have to reduce spending. This argument has been going on in Ontario for years. We keep blaming each other. Someone else is always responsible.

The taxpayer is not fooled. In Ontario people are fully cognizant that the province has to reduce spending. We have reduced the transfer payments to the provinces far less than we reduced our own expenditures.

(1820)

I do not think you can fool the people of Quebec. They know governments have to reduce spending. This includes Quebec, which to this day has a \$70 billion deficit. It is not doing anything about it. The leader of Quebec is running around with a referendum or something but he is not dealing with the economic problems of that province. Blaming all the problems on the federal government is not going to wash. I do not think it is going to wash in Quebec either.

Everybody shared in the budget. We did increase taxation on some of our largest banks. Some things are not told. The Royal Bank had a billion dollar profit. What some do not understand is it had losses year after year before that.

Far be it from me to defend the banks, but I am telling the reality of it. Sometimes a billion dollars sounds like a lot but \$125 billion worth of assets is not a very good return, especially considering losses in the previous year.

Blaming everything on the banks is not going to cut it. We all have to do something to get our costs of government down. That is what the budget does. It does it from the federal perspective and will do it for the provinces. I would like to have my hon. colleague address that.

[*Translation*]

Mr. Gauthier: Madam Speaker, what compassion for those poor banks which made profits of only \$4 billion last year. I would have liked my hon. colleague to show the same kind of compassion for the unemployed in Canada, who do not count their benefits in billions, and made no profit last year, but have registered losses, year after year.

I would have believed that my colleague was better informed when he talked about the tax points used by the federal government and the fact that it gives money back to the provinces. Listening to the advocates of federalism, one has the feeling that it is a fantastic gift the provinces receive. The federal government generously redistributes among its poor little provinces its

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God-given tax money. What are they complaining about? These are minor cuts.

Madam Speaker, I will simply say this: The federal government, which then was not allowed to collect taxes, asked for tax points to support its war effort and, later on, refused to give them back to the provinces, saying that the money they provided was going to be redistributed among the provinces to help them accomplish certain things.

One has to admit that there is a problem somewhere when one knows what the situation is, and that the Prime Minister has decided to keep on collecting taxes, which originally belonged to the provinces—check your history books—and to give them only half of what it collects. This is what is wrong with federalism. I do agree that the system does not make any sense. No wonder the provinces and the federal government are bickering. Besides, we have a very clear, very precise solution to that. We are the only ones to have one. No one else has one in this country.

In conclusion, when one talks about the necessity for the provinces to put their house in order, I will tell my hon. friend that I was a member of the Government of Quebec when we asked the public service to make enormous sacrifices and when we streamlined the administration. On a Canadian scale, the Quebec deficit would have been the equivalent of \$10 billion a year. If the administration of the Government of Quebec had been as poor as the administration of the federal government, Quebec would be running a deficit of \$10 billion a year.

Since 1985–86, the federal government's deficit has been close to \$40 billion, whereas the annual deficit of Quebec has been roughly \$3 billion, \$5 billion last year. The generally good management of Canadian provinces is in no way comparable to the administrative mess at the federal level, as well as to the disproportionate debt of the federal government which, proportionally, beats all records of any developed country, with the exception of Italy.

[English]

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, a quick question for the hon. member. It really gets tiring hearing this blah, blah, blah about a wonderful budget that is not going to do what those members claim. I get frightened when the opposition wants to do something even worse. It does not want to address the serious problem.

(1825)

Regarding the corporations, if we get more taxation out of the corporations, who ultimately pays the bill and what does the member think caused a lot of the corporations to go south of the border previously if not taxation? Is he trying to chase everybody out of Canada?

[Translation]

Mr. Gauthier: Madam Speaker, we know the opinions of the Reform Party. They presented them in this House and they condemned the budget. Here is the result of this condemnation by the Reform Party: in the West, their stronghold, 54 per cent of their constituents, 60 per cent in British Columbia, think it is a good budget.

I would simply say to my friends in the Reform Party that their speeches do no fool anyone anymore. We know that they want to abolish social programs, everything having to do with individuals, all transfers to the neediest. We know that according to them corporations, banks, large companies should not pay tax. We can see what their choice of society is. However, they cannot even convince their own constituents with whom they are supposed to communicate so much.

[English]

Ms. Judy Bethel (Edmonton East, Lib.): Madam Speaker, I would like to share my time tonight with the member for Hamilton West.

I am pleased to speak on Bill C-73. I want to take this opportunity to offer my support to the budget tabled by the Minister of Finance last month. It truly is a budget that reflects the principles and priorities of Canadians.

Our challenge was to balance the needs of our nation with the fiscal realities of today. Canadians asked us clearly to focus on cutting spending, not raising taxes, spending dollars more carefully on the priorities of people and ensuring fairness among individuals and regions. I believe the budget respects and reflects those principles.

Following the budget I wanted to see how the residents of Edmonton East felt about the budget, to hear their ideas, suggestions, their comments and concerns. On the evening of the budget we held an informal budget forum with representatives of the Edmonton East community. There were small business owners, students, teachers, seniors, new Canadians and representatives from community groups and agencies in attendance.

Our group came to the Edmonton East riding office to watch a tape of the budget speech and participate in short group discussions on the budget. Following that round table, I called from the office in Ottawa and we held a conference call on the budget and its impact on our riding. To determine the collective wisdom of Edmonton East on the budget, I asked our diverse group a series of questions to gauge their opinions and reactions.

I asked what their gut feeling was. The one phrase that was consistently repeated as each participant voiced his or her opinion was it was tough and fair. They felt the budget protected our core Canadian values and programs. Specifically they were

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relieved that seniors benefits were not drastically cut and they were delighted, actually ecstatic, that the Minister of Finance declared the government's support for the principles of the Canada Health Act and that we maintained funding levels for justice programs.

Several of the participants appreciated the manner in which the program cuts were made. They liked that spending reductions were done carefully by department and not in an across the board manner. It is important the group expressed this particular reaction to budgetary spending because it showed support for the program review approach we undertook in our process.

Albertans, like all Canadians, deserve and expect good government. Good government is simply delivering efficient, cost effective programs Canadians need and want and are willing to pay for in defence, in industry, in human resource development, in transportation, in justice and in heritage. Residents of my riding and across the province are firm believers in the concept of value for money. They want government programs and services that bring them good value for their tax dollars.

(1830)

Therefore, when we initiate expenditure reduction it is important that we evaluate government departments on a program by program basis. That requires a careful and thoughtful review of all government programs. This is one area where we can see a fundamental difference between the approach of the government and of the Reform Party. It proposes across the board departmental cuts without little regard for any consequences, fiscal or social, with no regard for the impact such cuts would have on other levels of government and with no calculation of value for money.

We took the tougher, more effective approach in program review, eliminating programs that are not working and streamlining others. The government's approach to the reduction of the public service is one of right sizing. Simply, right sizing promotes a careful and strategic approach to removing waste and duplication from organizations. We must work hard and co-operatively to find ways for departments and organizations to operate with a maximum of efficiency and effectiveness while maintaining high standards of service and program delivery.

Slashing and cutting with any organization or business merely for the sake of downsizing without clear direction or strategy is clearly irresponsible.

The small business representatives on our panel agreed with the continued support the government has given to this important sector of our economy. In the budget we recognized there are times and places where government can and should assist the private sector in today's fast changing global environment. For example, the government will continue supporting exports for companies in the sectors facing intense international competi-

tion. This is especially important in my province which has seen an incredible growth in the export trade.

The government will also be working with Canada's banks between now and the fall to determine meaningful benchmarks for small business lending. Small business owners in Alberta share the national problem of securing capital for businesses.

Since we came to office we have implemented several initiatives which small business owners indicate will help improve their ability to do business: the reduction of regulations and paperwork; the introduction of single window business service centres; and the reduction of unemployment insurance premiums. These are all commitments to reduce the deficit which will help small business.

Participants in the budget discussions all indicated their approval of the tax fairness measures implemented in the budget. This theme of fairness was also present at my social security forum where participants suggested that the government supplement its social program reforms with taxation reforms.

In the budget there are several measures to promote equity in the tax system. Equity starts by ensuring that taxes owing are taxes paid. The government implemented rules to ensure that the construction industry, where the underground economy thrives, complies with tax laws. There will be no tax deferral advantages for investment income earned by private holding companies. All tax advantages flowing from family trusts have been eliminated. There are several more. We have raised the corporate surtax on profits from 3 per cent to 4 per cent. We have added a temporary tax on the large deposit taking institutions, including the banks.

Participants at my forum expressed support for the fact that the government dealt with deficit reduction primarily through expenditures. We have taken the right path at the right pace. In fact over the next three years spending reductions will total \$25.3 billion against \$3.7 billion in revenue actions. That is almost \$7 in spending cuts for each \$1 in new tax revenue.

During our conference call I asked the participants what issues arising from the budget are important to our riding so we can follow them up for future action. The reaction of the group assembled was that the budget presents them with an opportunity to act in co-operation with the provinces and with the federal government in the development of a shared set of principles and objectives that will underlie the new Canada social transfer. This way we can ensure that our core Canadian values and priorities are maintained in our social programs.

Participants were heartened by the loud and clear message in the budget that the principles of the Canada Health Act will continue to be enforced. Albertans, like all Canadians, want their social security programs to be more efficiently delivered. They want to reduce overlap and duplication. However, they are

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concerned about the potential impact of increased provincial flexibility on their province, considering the lack of care and concern the current provincial government has shown toward social programs. All participants agreed that we need to maintain key principles in our social system so that we can continue to protect our most vulnerable citizens.

(1835)

At this forum and others held on social security review there was widespread support for our social programs. While everyone agreed that there was a need for reform—people wanted to see programs such as the UI maintained—there was no support for the dismantling of the system which is implied in the Reform Party's registered personal security plan.

Another concern of people in my riding is that the rising cost of the public pension system is placing their pensions at risk. The government is committed to providing a fair and reliable system of protection for seniors but this requires action to ensure the pension system is sustainable in the long term. Later this year the Minister of Human Resources Development, in collaboration with the finance minister, will release a paper dealing with the changes required in the public pension system to ensure its affordability. The budget states what the basic principles for the reform will be, and that is what we will work co-operatively with. The review is another area in which residents, particularly seniors, can participate.

Some might say that the budget did not cut enough, that it could have been tougher. However, a budget is not just about balancing books; it is about balancing the needs of the nation. We have a fiscal responsibility to do that.

Also some could complain we did not set longer deficit reduction targets. However two years of rolling targets keep our feet to the fire, making it impossible to postpone spending reductions and other actions to reduce the deficit. Past governments have made long term plans but always ended up pushing necessary action further and further into the future. The short term targets we have set make sure we act to reduce the deficit, keeping our feet to the fire.

In conclusion, there is general agreement in Edmonton East that the 1995 budget takes far-reaching action to restore the fiscal health that supports a strong and growing economy. The residents of my riding found many things in the budget they like. They also identified the Canada social transfer and the retirement income review as issues for future focus. I look forward to working with them and with the government on these issues as we continue the government's progress on program and service improvements.

[Translation]

Mr. Gilbert Fillion (Chicoutimi, BQ): Madam Speaker, I would like to point out to my colleague that she did not consider the consequences of our very large debt on investment and employment in Canada.

This debt has a very negative impact on job creation. To finance our debt—I already said, but it is worth repeating—we are forced to offer a premium to foreign investors. This premium increases as the debt grows, which means that the Canadian taxpayer cannot consume as he or she should. The consequences of that is that there is less and less work, and more and more people on unemployment insurance.

Now, because of new eligibility criteria they must rely on welfare. Therefore, the impact is very negative. Here is my question: The present federal system offers only status quo, which means compromises, clumsy compromises between two groups. In our area, we call that endless complaining. The status quo means eternal resignation to a dreary existence. Is it what you are going to offer to the upcoming generation? This status quo is simply jiggery-pokery and fiddling.

(1840)

[English]

Ms. Bethel: Madam Speaker, I appreciate the question from the Bloc. Federalism is as important to those of us who live in Alberta as it is to those of us who live in Quebec.

I understand the analogies of the family and fighting and feuding, but healthy families work out their differences. There is a kind of evolution, not a revolution, in the way we do business. I truly appreciate that there is getting to be a less centralist feeling to government these days. What we are seeing more of is the ability for the provinces to determine their own needs and to work on their own solutions. That is how I see this unfolding. It is very beneficial for Quebec, it is beneficial for the maritimes, it is beneficial for every part of our country; working together to solve our common problems.

Hon. Jean J. Charest (Sherbrooke, PC): Madam Speaker, I was interested in the hon. member's remarks about how her constituents reacted.

I refer her to an announcement made by her government last year with respect to the stay in school program, which addresses itself directly to the issue of dropouts and potential dropouts. Her government announced funding for the program last year and I understand from the wording of the release at that time that the government spoke very positively about how important the issue is for Canada. I wonder whether she has any news on whether this program should continue.

Government Orders

Ms. Bethel: Madam Speaker, that is a very specific question and I am not prepared at this time to answer it. I am not aware of the press release or the program. My apologies to the hon. member.

Mr. John Williams (St. Albert, Ref.): Madam Speaker, I have quite a number of questions but in the interests of brevity I will limit them to one or two.

The hon. member for Edmonton East put a lot of emphasis on fairness in transfers to the provinces and individuals as part of the government's responsibility of ensuring they have a standard of living we can respect.

One of the biggest transfers we now have is the \$50 billion we transfer to lenders; not to poor people, not to old people, not to young people, not to those who need an education, but to rich lenders around the world. In a survey 41 per cent of Canadians said the deficit was not being cut fast enough in order to eliminate the growth in that transfer so that money is available to Canadians.

What does the member propose since the Minister of Finance has been far too slow in getting the deficit down?

Ms. Bethel: Madam Speaker, there are two plans of action we are taking, one on a short rolling, two-year target. They are extremely important so that we do not put off what we need to do. In order to get the deficit down it is important to have short term targets. I will leave it at that.

Mr. Stan Keyes (Hamilton West, Lib.): Madam Speaker, it is a privilege and an honour on behalf of the constituents of Hamilton West to speak on Bill C-73, an act to provide borrowing authority for the upcoming fiscal year, and by logical extension the firm but fair budget tabled on February 27 by my hon. colleague the Minister of Finance.

In keeping with the principles of fairness as promised in the 1995 budget, it reflects the government's desire to cut the deficit primarily through spending cuts rather than massive tax increases, as suggested by the third party. This is substantiated by the fact that over the next three years there will be \$7 in spending cuts for every dollar in new tax increases. Consequently the budget will have an enormous impact on Canada's ongoing economic recovery.

(1845)

It should also be noted that in the process of creating the 1995 budget, the minister took care to obtain the input of Canadians right across this country. This was done by means of the prebudget hearings conducted by the Standing Committee on Finance.

These hearings were held in cities throughout Canada, including my hometown of Hamilton. I am proud to say that almost 90 per cent of the recommendations of the finance committee were

accepted by the Minister of Finance and are reflected in the 1995 budget.

As chairperson of the House of Commons Standing Committee on Transport, I should also mention that our committee is currently assisting the Minister of Transport with a comprehensive marine review. As indicated in a recent post-budget document released by Transport Canada, "Transport Canada's New Direction and the 1995 Budget", the House of Commons Standing Committee on Transport is holding extensive consultations on the future of Canada's marine sector. It plans to submit a report of recommendations by the end of April.

The review focuses on identifying inefficiencies in the Canadian marine system and eliminating unnecessary and counterproductive waste and mismanagement in the marine sector. This will also help eliminate unnecessary federal government expenditures by examining ways to provide competitive and efficient marine services as part of an integrated transportation system.

The finance minister went to great lengths to accommodate the opinions expressed to him directly and indirectly by his parliamentary colleagues as well.

On January 6, I issued an open letter to the Minister of Finance on behalf of the constituents of Hamilton West imploring him not to increase personal income tax. Prior to the tabling of the budget we were on a break. When walking through the malls, on the streets or stopping in a coffee shop, my constituents told me that increasing personal income tax would impose an insurmountable burden on many low to middle income families. They also said it could have an adverse effect on federal revenue targets by creating an added incentive for underground economic activity.

Clearly, the Minister of Finance listened to Canadians as far as personal income tax is concerned. We did not see a hike in personal income tax in this budget. This budget is firm in its commitment to cutting government fat, but fair in sparing the flesh of essential government initiatives designed to stimulate economic growth and job creation in this country.

The notion of budget fairness is reflected in the minister's willingness to address the historically lopsided personal income tax contributions made by individual tax paying Canadians versus the amount contributed by large profitable corporations. In the last three decades the corporate share of total taxes collected by government has fallen while the share collected from individual taxpayers has almost doubled. In light of that fact, the 1995 federal budget also includes key measures designed to establish a fair and balanced system of taxation.

For example, there will be an increase in the corporate surtax from 3 per cent to 4 per cent, as well as a 12.5 per cent increase in the large corporations tax. Furthermore, in a year when major Canadian banks reported record profits in the billions, the 1995 budget imposes an immediate increase in the existing tax on capital of banks and other large deposit taking institutions.

Government Orders

For the edification of the naysayers across the way, it is worthwhile to consider the opinions expressed by various reputable organizations and individuals across the nation who have expressed their support for the measures announced in the 1995 budget.

Let us go to the editorial in the *Wall Street Journal*: "Canada's bold budget ought to be an inspiration to other countries struggling with overextended governments". This is for the naysayers across. We have been listening to the Reform Party go on and on about how terrible this budget is, how awful this government is and how we do not know what we are doing.

All that is outweighed by the people who do know a little something about economics and I am sure they are not Reformers. An editorial in the *Financial Times* of the U.K. says: "The Canadian budget announced on Monday brings the country back from the brink of fiscal disaster. Mr. Paul Martin, the finance minister, appears to have achieved a skilful balance between the increasingly onerous demands of investors and those of his constituents".

(1850)

An excerpt from a Reuters AFP news report in *The Strait Times*, Singapore's most widely read daily, states: "Economists praised the government's efforts generally, saying it was perhaps the first serious attempt by a Canadian government to get a handle on spending". I know that one-half of the former Tory government who is sitting in the House today would appreciate a remark like that.

How about William Dudley, an economist with Goldman Sachs, who stated on CBC Radio: "In the end you would have to say that the government has definitely gotten the message that this consolidation is required and the financial markets, I think, have to reward Canada for that". That is pretty good stuff for the government.

If that were not enough, the budget has also been endorsed by the Chartered Accountants of Canada, an organization representing 55,000 chartered accountants. It seems reasonable to assume that these people would know a thing or two about getting one's fiscal house in order. What are they saying? The Chartered Accountants, the 55,000 represented, state: "We are pleased that finance minister Paul Martin has cut spending in significant ways. In particular, the seven to one ratio of cuts in spending to taxes should signal to investors that government is addressing our fiscal situation".

Here is the one I like: "We are very pleased to note the government has not taken any drastic measures to impede the ability of Canadians to save for their own retirements. The budget brought down challenges Canadians to continue to seek

to redefine the appropriate role and scope of governments as essential steps toward fiscal stability".

That is something we can be proud of. Despite the previously stated, let us say, expert opinions in the province of Ontario, Premier Bob Rae has been playing Chicken Little with the federal budget. According to that premier, the sky has been falling in Canada since February 27 when the federal budget was tabled in this House.

In response to this government's attempt to finally get this nation's fiscal house in order, Rae states that the budget will bring about "a historic change that literally ends the Canada that we have known and sets us on a much meaner course". This comes from a man who clearly knows little or nothing about managing public funds.

It is worth noting that in 1991 Ontario's accumulated provincial debt was 15.5 per cent of Ontario's GDP. This spring, Ontario's debt is expected to balloon to almost 30.5 per cent of provincial GDP. Clearly if the sky is falling, it is falling on the provincial NDP government in Ontario.

In closing, for all the doom and gloom of those who may be questioning the character of the Liberal government and in fact Liberalism itself, I quote a great Canadian and a former Prime Minister of Canada, the Right Hon. Sir Wilfrid Laurier who once said: "I am a Liberal. I am one of these who thinks that everywhere in human terms there are abuses to be reformed, new horizons to be opened up, and new forces to be developed".

I am proud to say that this government is holding true to that enlightened Liberal vision.

Mr. John Williams (St. Albert, Ref.): Madam Speaker, I have one simple question. We always hear the Liberals talk about the budget and how many cuts they have made, but they have not cut anything. They have transferred. They have not cut \$7 for every \$1 increase in taxes. Money that was going to programs to help Canadians has been transferred as interest to the lenders.

When will this government recognize that the spending of this government has not gone down? There have not been any cuts. It has only transferred money from Canadians who need it to lenders who did not need the money in the first place.

Mr. Keyes: Madam Speaker, I am not sure of the hon. member's background. Do not take my word for it; let us go to the experts.

How about Fred Ketchen, chairman of the board of the Toronto Stock Exchange who states: "It seems to me that the fellas at Moody's and the other bond rating services will be encouraged by what they heard the finance minister say today in what I would assess as being a responsible, a fair, a realistic, and even a humane budget".

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(1855)

Let us go back to the chartered accountants, the group that represents the chartered accountants of Canada, the 55,000 accountants. They support the restructuring of transfer payments to the provinces and the decision to build more flexibility into Canada's educational and social program transfers to provinces with the creation of the Canada social transfer program. This is precisely what this member has been concerned about.

The Reform Party in its questions talks status quo. Before the budget it came out with this ridiculous plan to cut everything, gone in two years: "We are going to put them in sleeping bags in the streets across Canada, but we are going to get that budget deficit down to zero". That is not the way it is going to be with the government. The government does it fairly and equitably and it is going to work. With our two-year rolling plan the House is going to be full of Liberals after the next federal election.

[Translation]

The Acting Speaker (Mrs. Maheu): I will recognize the hon. member for Beauport—Montmorency—Orléans, but he has only 30 seconds left for questions or comments.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Madam Speaker, as vice-chairman of the Standing Committee on Transport, I would like to put a short question to the chairman of the committee.

Since he mentioned that he tends to go to coffee shops and shopping malls where he has a chance to talk about the budget, I would like to know whether he brought this up with his constituents in Hamilton West. One of the provisions of the budget provides for commercializing the St. Lawrence Seaway, but if this does not work and the Seaway is closed, how would the people of Hamilton react and how would they get their iron ore pellets from Quebec's North Shore?

[English]

Mr. Keyes: Madam Speaker, that is an appropriate question and I thank the hon. member for it. Coming from Hamilton, Stelco and Dofasco are two very familiar names. The lifeline of the steel industry in my home town and the rest of the communities along that Great Lakes and St. Lawrence Seaway is that seaway.

If we leave it the way it is the hon. member knows full well it will collapse on itself and we will not have a seaway. The status quo does not work. We have to find a new way. We have to find a way to make that system stand on its own feet and be competitive in a global economy and give the stakeholders of that system the opportunity to play a greater role in how that system works.

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

STAY IN SCHOOL PROGRAM

Hon. Jean J. Charest (Sherbrooke, PC): Madam Speaker, I rise today on a very important issue that came to my attention after the budget. It is a very negative piece of news. It is a situation that needs to be clarified on the government benches. I asked that it be put on tonight so the government could tell us what happened to the stay in school program.

Canada has one of the highest drop out rates in the world among industrialized countries for people in high school. Furthermore, Canada is in a situation in which the skills required to enter the labour market have also increased radically over the last few years.

I can borrow from a document known as the red book. On page 32 there is a graph of rising education and training requirements that seems to indicate that people with less than 12 years of education made up about 45 per cent of the jobs available in 1986. In the years from 1986 until 2000 that will drop to 32 per cent.

Then it goes on to state that people who have 12 years of education make up 10 per cent of the jobs. It will be 2.9 per cent by the year 2000; 13 to 16 years of education will go from 22 per cent to 15 per cent, and 17 years or more, 22.4 per cent in 1986 to 48.8 per cent. This graph says that close to half of the jobs available in Canada by the turn of the century will require 17 years of education or more.

(1900)

For a country that has one of the highest dropout rates in the world among the industrialized countries, one would think we would want to do something about it. We did. In 1990 we announced the stay in school initiative that addressed itself to communities, to enticing different partners in the community including the private sector to get involved with the issue. It was also co-ordinated with the provinces.

It may be of interest for the House to know that the present Leader of the Official Opposition supported the program even though some people will say that it is in the area of provincial jurisdiction which, if taken literally, is a false statement. To pretend that the dropout problem is only related to the education system is false. It is a broad social program that needs to be addressed.

My disappointment lies in the fact that the government apparently ran on investing in people according to the red book. It said in that document:

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Jobs and growth depend upon making the necessary investments in ourselves and our children. Consequently, we will better prepare for the transition from school to the workplace; provide a constructive outlet for the skills and the talents of younger Canadians, the innocent victims of Canada's prolonged recession.

The innocent victims of Canada's prolonged recession had the program cut. The government refused to continue the program which is recognized as a success. Who says that? On April 15, 1994 the government announced, according to a press release, that it would continue to put \$30 million in the program. What did it have to say about the program only a year ago? It said that there was a proven link between low levels of education and high levels of youth unemployment and that continued action on the high school dropout issue was therefore crucial to ensuring that the school to work transition was an avenue of opportunity for young people.

It is scandalous that the government would cut the program. When does the government intend to take up the issue so that we can attend to the problem of young Canadian men and women who need to finish high school and need an opportunity to get an education, find a job and participate in Canadian society?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, I paid attention to what the hon. member stated in reference to the stay in school initiative to provide the tools to motivate the key stakeholders in the community to engage in the process of outlining and telling young Canadians that it is very important to stay in school as a vehicle to achieving a job and to

acquiring the life skills required to remain competitive in a very competitive marketplace.

Obviously the hon. member missed the announcement the government made last Friday. There has been some redirection of funding. The government announced a summer job action plan, a package of six job creation elements for secondary and post-secondary education students which will result in the direct creation of approximately 44,500 jobs. In addition, Canada employment centres for students will once again be in operation across the country.

Last year close to 200,000 job vacancies were filled and over 141,000 young people participated in group information sessions. The number is expected to surpass last year's budget for students. The \$8.6 million will be increased to \$10.4 million. It is also important to note that the budget of the youth internship program has increased from \$25 million in 1994-95 to \$118 million in 1995-96.

Even though we are living through difficult fiscal times our commitment to young people speaks to two realities: the fact that we believe it is a priority and that we want to engage in effective partnerships at the community level. The announcement last Friday achieved both.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.05 p.m.)

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