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(HANSARD)

Friday, March 31, 1995

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Friday, March 31, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1995

The House resumed from March 30 consideration of the motion that Bill C-76, an act to implement certain provisions of the budget tabled in Parliament on February 27, 1995, be read the second time and referred to a committee; and of the amendment.

The Acting Speaker (Mr. Kilger): I would like to make the House aware that during the next 54 minutes of debate members will have 20 minutes to make their speeches which will be subject to a 10-minute question and comment period. After the 54 minutes, the House will proceed to the next stage of debate and members will be allowed a 10-minute maximum.

[*Translation*]

If I am not mistaken, the last person who spoke yesterday was the hon. member for Glengarry—Prescott—Russell and we were at the question and comment period. Are there any questions or comments?

Resuming debate with the hon. member for Hochelaga—Maisonneuve.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I am pleased to speak on Bill C-76. For the benefit of those who are watching us at home, let me repeat that this bill deals with budget measures, notably the important issue of transfer payments to the provinces.

I would like to remind them that, when we talk about transfers to the provinces, for this past year at least, we are in fact referring to three main sets of programs. We are referring to three categories of transfers, namely those under established programs financing, which the federal government has reduced by \$21 billion for 1995-96, under the equalization program, which the government has reduced by \$8.87 billion, and, finally, under the Canada Assistance Plan, which the government has reduced by \$7.95 billion.

It is important to remember that transfer payments to the provinces are a matter of particular importance in a federal system, since, in a federal system, the relationship between the federal government and the provinces is absolutely crucial. Whenever financial considerations are involved, we must bear in mind that a federal system is a system made up or based on three components. In any federal system, first of all, you have two main levels of government: a central government and the so-called subordinate administrations.

• (1005)

Depending on the particular system, these lower levels are called provinces, or landers, or cantons, but where there is a federal system, there are at least two levels of government, each of which is supposed to have sovereign authority over every areas of jurisdiction prescribed in the constitution. In the Canadian Constitution, these areas are listed in section 91. Section 91 lists the powers of the central government and section 92, the provincial areas of jurisdiction.

Finally, the last characteristic of federalism is the constitution, which is designed to delineate the respective powers of the two levels of government. Why do I feel the need to give these elements of historical background and political definition? Because, if the Canadian federal system were harmonious and responsive to the provinces, a system in which the jurisdictions established under the Canadian Constitution were respected, we would certainly not be passing or debating a bill like Bill C-76.

Why am I saying that? Because, in a federal system with two levels of government, where each level has specific responsibilities, financial equilibrium is understandably a matter of great importance. We can appreciate that, when one level of government decides unilaterally, without consulting the provinces, as this government is doing, to cutback transfer payments to the provinces, this is designed to have a destabilizing effect. We must keep in mind—and we will have an opportunity to say it again during the various debates to come—that, for all practical purposes, the federal government plans to use this bill to cut transfers to the provinces by \$7 billion.

Let us recall the three programs through which funds are transferred. First, there is the Established Programs Financing for which the federal government plans to set aside \$21 billion. As you know, Mr. Speaker, the Established Programs Financing in place since 1977, is the government vehicle for financing health care and post-secondary education. Of course, we know

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full well that, under the 1867 Constitution Act, these sectors do not come under federal jurisdiction. Yet, over time, they have interfered in these areas of jurisdiction. So the first vehicle is Established Programs Financing.

The second vehicle is very well-known because, for a very long time, the champions of Canadian federalism told us that an original feature of the system was equalization, for which the federal government plans to set aside close to \$9 billion. Equalization was born shortly after World War II. We must keep in mind that this transfer system was aimed at giving all Canadians from Newfoundland to British Columbia access to the same range of services. Equalization saw the light of day because Canada is an impossible country, a country of regional disparities.

Because the provinces do not have the same ability to collect taxes, because they do not have access to the same resources, nor the same tax base, we decided to develop a redistribution mechanism so that funds would be redistributed from wealthier provinces with access to a broader tax base to poorer provinces.

As you know, Mr. Speaker, the equalization formula is extremely complex, involving some 40 factors, so that as we speak, since 1989, in fact, the beneficiaries of equalization have been Quebec, the Maritimes, Manitoba and Saskatchewan.

• (1010)

Again, to make it clear to those who are listening, there is a third transfer mechanism, namely the Canada Assistance Plan, which was established in 1966 and which is the solution found by the federal government to get involved in the financing of social assistance. Under the Constitution, as you know, the federal government has no business in the financing of social assistance programs in Canada; yet, it finances about 50 per cent, or half of the welfare costs of the provinces.

Why do I point this out? It is, of course, because this bill seeks to unilaterally deprive the provinces of some \$7 billion.

Why did we end up with transfer mechanisms such as the established programs financing, equalization and the Canada Assistance Plan? It is because there was an imbalance between the tax resources of the federal government and the provinces. That imbalance must be viewed in an historical context. After the first and the second world war, the Federal government took advantage of the exceptional crisis situations generated by these conflicts to move into direct and indirect taxation.

In the fifties, the imbalance became very obvious to the provinces, which were considered somewhat like large municipalities. Consequently, some mechanisms had to be devised to

transfer the wealth. These mechanisms are the three to which I referred earlier.

The federal government was urged to spread the wealth and therefore decided to finance sectors which did not fall under its jurisdiction. This created a situation whereby the provinces would provide services to their population with budgets allocated by the federal government. Again, it is worrisome and even catastrophic to see that the federal government now intends to unilaterally cut \$7 billion in the transfers to the provinces.

Do you think that the federal government consulted the provinces to make sure that this measure would cause the least amount of prejudice? Absolutely not. The provinces found out, when the Minister of Finance tabled his budget last February, that there would be a cutback of \$7 billion, that would break down as follows: in 1996-97, \$2.5 billion would be cut from transfers to the provinces; and in 1997-98, something like \$4.5 billion. That is the scenario we are given in Bill C-76.

If we consider Bill C-76 and, more specifically, its impact on Quebec, we realize that Quebec will have to absorb \$650 million in forgone revenue for 1996-97 and \$1.2 billion for 1997-98.

Even more alarming is the fact that the federal government is intervening in areas over which it has no jurisdiction. This intervention, which has continued to this day, has a long history. The provinces have, to a certain extent, remained dependent on the federal government for these transfers which were used to help develop health care and education services.

• (1015)

There are not many examples of federalism left in a continental country with a low population density and most of its population concentrated along the U.S. border. All of a sudden, because the federal government is in trouble, because this federal government is an impossible government, the government, with obvious contempt for federal-provincial diplomacy and oblivious to the impact that these cuts may have on transfers to the provinces and specific services provided to users, decides to cut \$7 billion.

The federal government, centralist as always, has gone even further. It says: There will no more established programs financing or Canada Assistance Plan. Instead, there will be a new program called the Canada social transfer.

However, we do not know what criteria will be applied to redistribution of the amounts the CST will contain. Our position is that the Minister of Human Resources Development and the provinces will have to consider the criteria for redistribution of these funds, without necessarily being bound by an agreement.

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The official opposition believes—and as you know, the official opposition's predictions tend to be very accurate—that the Minister of Finance, the hon. member for LaSalle—Émard, a Montreal member, may wish to put on the table a redistribution rule that might severely penalize Quebec. We think that redistribution of wealth might be based on population.

As several speakers have said in the House, the Minister of Finance, who has systematically refused to exclude the possibility of dividing the Canada social transfer envelope on the basis of population, may well decide that Quebec will have to absorb 41.7 per cent of the cuts in transfer payments to all provinces in Canada in 1997–98, which would mean that in 1997–98, if that is the basis on which the government intends to operate, Quebec will have to absorb not \$1.2 billion but \$1.9 billion in forgone revenue. And that is why the Quebec government has reacted very negatively to Bill C–76.

What is most absurd in this situation is that the federal government intervenes in the area of health. Here again, any outsider looking in the Constitution Act of 1867 or the one of 1982, to find the authority, legitimacy or jurisdiction behind the government's involvement in the field of health would be searching in vain.

But everyone knows that there is a Department of National Health in Ottawa, Health Canada, which requires about \$1 billion just in order to operate, to pay the salaries of the public servants there. This figure does not include the money allocated by the Minister of Finance in his budget to run its various programs.

According to an article published last month in a learned publication there were more public servants at Health Canada than in the individual provincial departments of health.

This is not the least of the contradictions. There is a two tier structure, with the result that, even before any thought is given to transferring funds to the provinces so they can actually provide health care services to the public, funds must go to a structure that requires \$1 billion simply to operate. This is the same sort of absurdity we find in the fight against AIDS.

• (1020)

The federal government is trying to establish a continent-wide health policy, which is impossible, because the level of administration in the best position to be effective and provide the finest and most useful service to Canadians, cannot be the government farthest removed from them. And the government farthest removed from them is the government in Ottawa.

The federal government's attempt to set up a national health policy, which aims necessarily at meeting the needs of communities from Newfoundland to British Columbia, is just as absurd as what it is doing in the fight against AIDS.

What happens when the government tries to intervene in the health field? Let us have a look at Canada's strategy in the fight against AIDS. In the early 1980s, with the appearance of this most terrible disease, which will cruelly mark the turn of the century, the government decided it should act.

Instead of using its tax leverage to mandate the provinces and transferring additional resources to them so they could be the real agents and fight AIDS intelligently, the federal government established a national strategy.

It is an extremely loose national strategy, which really lacks substance and is extremely inefficient, since we all well know that the governments of Newfoundland, of Quebec, of Ontario, of Saskatchewan would have been better suited than the federal government to lead the campaign, given their expertise in the area of palliative care and health care.

The result is that the government has to maintain an extremely cumbersome administration and that situations arise like the one that arose last year. The federal government voted in its AIDS strategy, and allocated it a budget of \$42 million which was not spent. The federal government, because it is the government level furthest removed from the people and because it has nothing to do with health care, is unable to deliver services in the field, and the concrete result of this is that it is not able to spend the allocated budgets approved by Parliament.

I see that this surprises government members, but it is nevertheless the case. I will conclude by saying that last year, of the \$42 million that the government allocated for the AIDS campaign, only \$34 million were spent, and not in the most useful ways. This is why people have gotten the impression that the federal government is not the most efficient level of government.

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I listened intently to the hon. member. I thank him for his intervention.

He complained about the transfer payments from the federal government to the Quebec government being reduced. I wonder if he could share with us how as a country we can reduce the deficit and the heavy debt which is plaguing the country. If we could balance the books, as six provinces have already done and if we could wipe out the public debt, we could put a lot more money into such programs as the hon. member is talking about, for example, helping people affected with AIDS and so on.

Somehow the provincial and federal governments have to work more efficiently, more co-operatively to try to avoid any duplication. Then we will reach the goals that he wants to reach not only for Quebec but for the entire country.

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Could he share with us what concrete recommendations he and his party have for balancing the books, as the six provinces have done, and for reducing the public debt eventually to zero?

• (1025)

[*Translation*]

Mr. Ménard: Mr. Speaker, I thank the parliamentary secretary for his question. Obviously, it is quite clear to me how we should go about balancing the books. Those of us on this side of the House are convinced of the need to implement the principle of subsidiarity, whereby the mandate to deliver a service should go to the level of government in the best position to do so. The problem with Canada, and, with all due respect, the problem with the government's logic, is that all that is being offered is an observation. The observation is made that we have a debt of \$600 billion, but no questions are asked about the institutional structure that led up to this debt.

Let us not forget that the federal government used to have a department of urban affairs and a department of recreation, and that is why we have the debt we do today. It is because of an imbalance that allows Ottawa to interfere in areas of jurisdiction for which it has no mandate. This is the spending power system. Unfortunately, the federalism we are seeing leaves much to be desired. This is not to say that federalism could not be interesting in theory, but for it to work in the Canadian context, it must be centralized. And for it to be centralized, interference in the affairs of the provinces becomes necessary.

My hon. colleague would be interested to know that before the Department of Health even gets around to delivering a service, a billion dollars has been set aside by the Minister of Finance for its operating expenses. Does my hon. colleague share my concern, my disbelief that Health Canada has more employees than the provincial departments of health? This is not what we should be seeing when it is not even the federal government's mandate.

The best way to reduce the debt, and I do not know whether my colleague will agree with us, is to undertake a political reorganization with the goal of establishing an association between two nations, two autonomous governments, who will obviously have economic dealings with each other where interests dictate, because we know that nations must put interests ahead of feelings. I think that the best way for Canada to reduce the debt is through an extensive political reorganization.

[*English*]

Mr. Flis: Mr. Speaker, the hon. member is contradicting himself. He said that to have a healthy federalism we have to centralize things more. On the other hand, he is talking about two nations.

My wife comes from the province of Quebec. She has many relatives there, nieces, nephews, and we meet with them quite regularly. I am so proud of Canada when my nieces and nephews visit us and speak three languages. They speak French, English and Polish.

Is it not wonderful that in a country such as ours, in la belle province, people can grow up fluent in three languages? If we nourish this further, we will be the envy of the world. The United Nations has named Canada as the number one place on this planet in which to live. Why would the hon. member talk about two nations? It took us 125 years to reach the level we are at now. Now that the world recognizes that we did this properly and Canadians have the best standard of living, why would we want to dismantle this?

I would remind the hon. member also to talk to the ambassadors here in Ottawa of the Czech Republic and Slovakia. I keep in very close touch with them. They went through the same phase. When they were talking about separation they were talking about the same currency, no obstacles at the border, common defence and so on. The minute they separated they had to print their own currency, they had very strict custom controls. It was the most painful thing they had ever gone through. They are recommending not to let happen to Canada what happened to the former Czechoslovakia.

• (1030)

I am wondering if the hon. member would rethink and answer who is representing my nieces, my nephews, my grand-nieces, my grand-nephews because they do not want two nations. They want to live and grow in this beautiful country as it is now. They do not want to move out of la belle province but they will if we go the two nation route.

[*Translation*]

Mr. Ménard: Mr. Speaker, I know that my colleague is a generous and intelligent man, so I am disappointed with his comparison. I wish to tell him that, since the fall of the Berlin Wall, 21 countries have achieved sovereignty and, out of these 21 countries, it is easy to talk about the economic difficulties experienced by Slovakia. On the other hand, I can give him a list of 20 countries which, not in the distant past but since the fall of the Berlin Wall, have managed their sovereignty successfully. We will have the opportunity to talk about this again later.

I wish to address one element of my colleague's question. What I told the hon. parliamentary secretary is that there are several examples of federalism in the world. Canadian federalism has two distinctive features. Canada is a continental country, unlike the other federalist countries we are familiar with. It is a continental country with two nations. Since being elected to this House, I have seen that there is a gap between the parties. On this side, because we are in touch with Quebec, we know that we are a nation.

Prince Edward Island is not a nation. British Columbia is not a nation. They are great places in the world, with generous people. I spent my vacation in Prince Edward Island and it is a wonderful part of the country, but it is not a nation. Again, it is a wonderful part of the country. Being a nation involves having a distinct language, a distinct legal system, government control, a collective will to live together. These elements make us a nation under international law.

Canada is indeed a great country, and I am able to recognize this. But what I said about Canadian federalism is that, although Canada is a great country, although I have many friends on the other side of this House, including the parliamentary secretary, Canada as it now exists cannot allow two nations to achieve self-realization. That is why, in the next century—and saying this does not show contempt, secessionist tendencies or obtuseness—Canada must be redesigned so that both nations can enjoy a relationship as political equals and economic partners.

When my hon. colleague tells me that his niece, of whom he is no doubt very proud, speaks three languages, it is something that must be applauded. However, the hon. member is confusing the collective dimension with the individual dimension.

I wish that all members of this House were multilingual. Three mornings a week, I get up at seven in the morning to learn English so I can discuss with my hon. colleagues. But all this does not change anything to the fact that Quebec is a nation and must have all the powers, its own country and its own government.

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, normally, when I rise in this House to participate in a debate on a bill, I can say that it is with great pleasure that I speak to the bill before us.

[*English*]

This is not a pleasant budget on which to be speaking. For many of us it is a very painful budget. For many Canadians it is a very painful budget. For us as Liberals it presents some decisions we would rather not have to be making.

Liberals tend to want to be builders and creators, not to be pulling back on progress that has been made and programs that have been established. Following the second world war we were able to invest in housing, invest in transportation, invest in the education of our returning war veterans and yet pay off the war debt within five years. That was in the time of an expanding economy both domestically and internationally.

• (1035)

Liberals have been proud to create a package of social programs that has offered Canadians a standard of living and a quality of living second to none. We have been proud to introduce security for workers who lose their jobs. We have been proud to introduce security for Canadians who because of

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disability and many other reasons are unable to support themselves. We have been proud to share responsibility for our fellow citizens in need.

It was a Liberal government that was proud to set as a national target approximately two decades ago the elimination of poverty among the elderly. We have achieved that.

However, these are different times. We now have to look at how we can use the very limited resources of the nation and of our taxpayers to continue the quality of life the nation has enjoyed and to continue progress into the future. We also have to face some very hard facts and that is what the budget bill does.

[*Translation*]

We must realize that 40 per cent of our national debt is held by foreign countries and that, when we pay interest on the debt every year, 40 per cent or \$16 billion are paid out to foreign lenders. That is money that does not get back into our national economy; it does not work for us to improve our economic situation, here, in Canada. This money is paid outside the country and, therefore, not subject to Canadian income taxes. This is a double loss to our economy.

[*English*]

We have to face the fact that we are now paying one-third of every dollar we collect from Canadians and spend on government programs and services just to pay the interest on the debt. That proportion is rising year by year. If we continue to allow that to happen we will have less and less to do the things we want to do for the country and for Canadians.

I have sat in this House since 1988 and have heard repeated promises of reducing the debt and deficit and that we have to go through this pain to get to a certain objective. However, this is the first time since I have sat in this House that there has been an actual and substantial reduction in the deficit.

With the budget we are projecting the fulfilment of our 1993 campaign commitment to Canadians to cut the deficit by half in proportion to the GNP by 1997.

I have said this is a painful budget. One does not cut one's spending without removing from many Canadians certain programs, services and benefits we have enjoyed as a nation. We have done the budget in full consultation with Canadians. The Minister of Finance has met with Canadians across the country. We as members of Parliament have met with our constituents on what should be in the budget and asked for their advice and counsel in the difficult decisions we had to make.

In Ottawa West I was very fortunate to have several hundred people come together and assist me in advising the finance minister as to what we felt were the important issues to be taken into consideration in coming up with the budget. The people of Ottawa West told me they were concerned about the debt and deficit. They are concerned about the continuing deterioration

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of opportunities for the future of the country, for its economy and for the next generation.

● (1040)

They also said they did not want to sacrifice hard earned progress which made this the best nation in the world in which to live for the immediate gains on the debt and deficit. That is a difficult balance but it is a balance the budget and the legislation implementing it manage to achieve.

The people in Ottawa West and all Canadians told us they wanted the budget to be fair. They believe no group in society should disproportionately bear the brunt of the necessary cuts in government spending. We have delivered on that and it is being implemented in the budget.

Greater fairness in the tax system was the message from my constituents in Ottawa West, and also to close some of the loopholes. We have done that. We have increased the corporate rate of tax so corporations are again starting to pay a fair share of taxes. The capital tax imposed on banks is one element of that fairness.

Through a number of such measures we have avoided an increase in personal income tax which Canadians very clearly said they did not want because they already feel their dollars are stretched to the limit.

This is the first time I have had a chance to respond to people in Ottawa West on the specific measures they raised with me prior to the budget and tell them their voices and the voices of other Canadians clearly made an impact. They asked that we not tax their RRSP savings, and we did not. They asked that we not tax health and dental plan benefits, and we did not. They asked that we not touch the income of seniors, and we did not. We did say that Canadians living outside of Canada who are earning a high enough income should not continue to receive their entire old age security. They should be treated the same as seniors who are living in Canada and paying taxes here.

I can honestly report back to the constituents of Ottawa West that the views they expressed to me most strongly have been respected in the budget.

For a number of my constituents the changes we have made in government spending will have a negative impact. These are primarily people who work for the public service. It is not easy to say that of the 45,000 jobs to be cut in the public service, 15,000 of those over the next three years will be lost in this region.

However, through the bill and through other measures the government is taking extraordinary steps to make sure the number of people who will actually lose a job through this major

process is reduced to an absolute minimum. We fully expect that at least 60 per cent of the downsizing will be achieved through the early retirement incentives through regulation and the early departure incentives done through the legislation today.

Through various training and placement programs that will be put in place there will be various flexibilities about how people manage their time if they know their particular position will be affected. I want to send a very clear message that at the end of three years, through all of this, at least 86 per cent of the federal public service will still be in place, will still be working. There is no question it will be a dramatically changed workplace and I hope a dramatically improved workplace as we stop trying to ask a shrinking number of people to do everything and accept our responsibility as a government of deciding what programs to continue and what programs to stop. It will be a very difficult three years.

Canadians will know exactly where the government is headed, what programs we think are important and we will have the resources to carry out those programs well on behalf of Canadians.

● (1045)

I express my appreciation to the business community, local politicians in the area and many other people throughout the national capital region who have come together as a community to put in place programs that will assist people, whose jobs in the public service are affected, to remain in the community and to work in the community.

They are one of the great strengths of our region. That very talented workforce will provide further economic diversification and help to build a stronger economic future. I say to them honestly that their members of Parliament and their local community are 100 per cent committed to assisting them in continuing to be employed here and in continuing to make this their home.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I listened with great interest to the comments made by the hon. member. She said repeatedly that the budget was tough. It is very tough indeed. To try to reduce the deficit to pay off our debt is very laudable. We must do it.

I represent the rural riding of Matapédia—Matane, where I recently met with some local groups. In my region, unemployment matched with employment security is the norm for 35 to 40 per cent of workers. I discussed the budget with these various groups. The students did not understand. They told me: "How can we possibly pay more for post-secondary education"? They do not accept that.

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I also met farmers who have herds of 30 to 35 dairy cows. They told me that the situation in the region did not make any sense. The Liberal member who accompanied me has a herd of 225 milk cows, which is not quite the same. For farmers, the budget means a loss of \$5,000 over two years, or \$2,500 per year, or 15 per cent for two years.

I also met unemployed people. A former Liberal member, Mr. Bona Arsenault, once said that people were lazy. Let me tell you that people in my region are not lazy. They are energetic. They want to work. Given the opportunity to do so, they will work as hard as anyone. The unemployed are very worried.

Why is it that, by contrast, some business people do not seem very concerned. The hon. member referred to banks. The government will get \$100 million from the banks.

The Acting Speaker (Mr. Kilger): Order. I apologize for interrupting the hon. member for Matapédia—Matane. I simply want to remind him that the period for questions and comments only allows five minutes. Unless he is just making a comment, the hon. member should put his question if he wants a reply.

Mr. Canuel: Mr. Speaker, I will ask a very simple question. Why is it that the budget did not bother the multinationals too much. From what I have heard, the banks are not overly concerned by that budget. It is not the rich who are worried about it, but the poor.

Mrs. Catterall: Mr. Speaker, I can tell the hon. member that, in my own riding, five minutes from where I live, many residents have the same concerns. Consequently, I can certainly relate to what the member is saying.

It is for these people that we have to review and redirect our programs. We have to make sure that there is a future for these people, for women who have a very low income and who want to provide a future for their children, for young people who may have quit school five or six years ago and now want to get some training.

• (1050)

It is precisely for these people that we must have a strong economy which, I hope, we will better control, so that we can provide the training programs and the job creation initiatives which will give them a good future.

[*English*]

The Acting Speaker (Mr. Kilger): Again I clarify for the House that the member for Ottawa West indicated she was splitting her time with a colleague. That is why I made sure the question and comment period was for a duration of five minutes.

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I am pleased to have the opportunity to discuss the budget of the finance minister for 1995–96.

The budget was about keeping promises: the promise contained in the red book to reduce the federal deficit to 3 per cent of GDP by 1996–97, the promise made by Liberal governments past and present to preserve a sustainable social safety net that provides for those who are most in need, and the promise to ensure that all Canadians in all regions share equally in the necessary burden of reducing the deficit.

Through a combination of spending cuts and revenue increases the finance minister reduced the deficit for 1995–96 to \$32.7 billion. This is the second year in a row the deficit has been reduced. I am proud to be a member of a government that backs up its talk on deficit reduction with action. Unlike the previous Tory government and some members of the third party, the finance minister realizes there is a purpose to deficit reduction and that deficit reduction is not an end in itself.

As a result of the huge debt that has been run up by the last government, Canadians last year saw roughly 33 cents of every taxation dollar go toward paying interest on the debt. This meant less money available for services that Canadians deserve and respect.

The large debt also creates a climate of instability which discourages business investment and job growth. The purpose therefore of deficit reduction is to guarantee Canadians an environment for sustained growth and job creation both now and into the future.

The government understands and respects its obligations to Canadians to stop the practice of borrowing from future generations to finance the spending habits of today. Therefore it is not with enthusiasm that the government set about reducing spending but rather out of necessity.

Canadians from coast to coast to coast understand this point. In fact a recent poll confirmed it: 69 per cent of Canadians said they approved of finance minister's budget, even though a large number of those who approved of the budget expected to be somewhat worse off under it.

I refer to some of the remarks made by my colleague from Ottawa West. She said that some of her constituents spoke to her about their concerns under the budget but were willing to accept the cuts and to live with the budget.

Not only is the budget remarkable for the progress it makes toward the goal of reducing the deficit. It is commendable for the way in which it achieves deficit reduction. Reduction in the deficit was achieved largely through expenditure cuts.

For the second year in a row the government did not increase personal income tax rates. I congratulate the minister on his willingness to listen to Canadians and to refuse to take the easy way out by raising taxes. While personal tax rate increases may have been easy they would not have been equitable.

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Rather, the finance minister has managed to reach his deficit reduction primarily through expenditure cuts. For every \$1 of revenue increase contained in the budget there are \$7 in spending cuts. These cuts are reached largely through a rationalization and downsizing of government while ensuring that the spending cuts do not jeopardize the social programs Canadians value so dearly.

I should like to comment on three specific areas which the budget affects: social programs, small business and changes to the Department of Fisheries and Oceans.

• (1055)

While many Canadians including myself were encouraging the minister not to raise personal income taxes as part of his campaign to fight the deficit, equally compelling was the need to maintain the hallmark of Liberalism, our social safety net.

It was the Liberal government that built the social safety net and it is the Liberal government that is committed to maintaining our social programs. The problem was to adjust the programs to reflect the challenges and realities of the nineties.

Too often complaints were heard about how the social security system did not aid those most in need. At the same time it was becoming obvious that the social safety net was in many instances not providing incentives to Canadians to become less dependent on assistance.

Helping individuals to get back to supporting themselves must be a fundamental goal of any social system. In an attempt to encourage innovative and timely approaches to social security the government has established the Canada social transfer. This payment to the provinces will combine payments for health, post-secondary education and social assistance into one payment called the Canada social transfer. It will allow provinces the flexibility to pursue innovative approaches to the programs.

In conjunction with the transfers the federal government will impose national standards on all provinces as a condition of receiving funding. It will ensure that our commitment to provide for the most vulnerable in society will be maintained. For example, the Canada Health Act and its standards of accessibility, portability and universality will remain intact. Further, the Minister of Human Resources Development is to meet with his provincial counterparts to work out a set of national standards to govern post-secondary education and social assistance.

It has been said that the provinces will receive less funding under the Canada social transfer than previously. However the government has shown its commitment to social programs by cutting its expenditures in this area much less than it cut expenditures in other areas. Further, by announcing the changes in its transfer payments this year to take effect next year, the federal government has given provinces plenty of notice of the changes so that they may have the time to prepare.

Statistics show that under the Canada social transfer total transfers including equalization to the most needy provinces—

Mr. Speaker: The hon. member will have the floor when we resume debate at the end of question period.

It being 11 a.m. we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

INFRASTRUCTURE

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, recently I had the opportunity to participate in an infrastructure event in my riding of Victoria—Haliburton. Announced were eight projects valued at \$1.1 million for the Victoria County Board of Education, including the installation of computer wiring to give students better access to the information highway.

There have been 153 infrastructure programs announced in my riding in places like Fenelon Falls, Haliburton, Kinmount, Minden, Bobcaygeon, Kirkfield, Apsley in Brock township and my home town of Lindsay. They have totalled over \$25 million and created thousands of part time and permanent jobs.

The Canadian infrastructure program is an investment in the future. It has improved communities. It has upgraded the quality of life across the country. Most important, it has invested in the education system for our future. It is a success.

* * *

[Translation]

TURKEY

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, the Turkish offensive against the Kurds continues to cause many casualties. Today, 23 more Kurds were killed in Southeastern Turkey.

While Turkey continues to violate the most elementary rules of international law, Canada turns a blind eye. Even worse, although Germany has suspended deliveries of all military equipment to Turkey, the Canadian government has started negotiations with Turkey on the sale of its CF-5 fighter planes.

This is one more indication that the Liberal government's foreign policy is totally inconsistent.

The government must stop hiding its head in the sand and condemn forthwith the unacceptable behaviour of one of Canada's military allies by bringing this difficult matter before NATO and the UN Security Council.

[English]

CONSTITUENCY COMMITTEES

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I would like to congratulate a group of constituents in my riding of Nanaimo—Cowichan who are doing valuable work on behalf of taxpayers.

Several months ago I followed the lead of my colleague from North Vancouver by inviting interested citizens to get involved in the Canada Employment Centre grant process. Since that time this committee has been hard at work reviewing grants to determine if tax dollars were being spent wisely. This practice has resulted in constituents having direct input into the process instead of having the MP simply rubber stamp these applications, as is usually the case according to a senior official at human resources development.

Based on the positive results from this committee, I am now looking to establish other working groups at the constituency level to get involved in everything from agriculture to transportation.

This committee and others like it should serve as an example to all MPs as to the value of getting constituents involved in the democratic process.

* * *

HEALTH CARE

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the financing of medical care in Canada has become a challenging task that the federal government is about to make even more challenging. The current federal proposal to change the way cash is transferred to the provinces will create a patchwork of different delivery systems in different provinces across Canada. Fortunately, some provinces have a progressive view of health care delivery.

Thanks to good economic management, the Government of Saskatchewan will introduce this year new and expanded health services at the community level. These will include home care and increased support for respite beds, and day programs that provide some relief for family caregivers when needed.

Saskatchewan's health minister, Lorne Calvert, says that these and other initiatives represent the most comprehensive and people sensitive approach to community based health care in Canada.

It shows that even in the face of financial difficulties a province that cares for people can meet its health challenges. I urge the federal government to ensure provincial initiatives such as these are not undermined by a shortsighted and poor—

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The Speaker: The hon. member for St. Boniface.

* * *

LEARNING DISABILITIES

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, you may have noticed a number of our colleagues wearing a black and gold ribbon over the past month. March is Learning Disabilities Month and this ribbon honours all Canadians who have learning disabilities and those who provide them with support of all kinds.

[Translation]

One Canadian out of ten, which means 2.9 million Canadians, has learning disabilities, which will affect performance at school and may be a serious obstacle to learning to read, write and do arithmetic.

[English]

Early diagnosis and remedial intervention is the key. Children with learning disabilities become adults with learning disabilities if there is no early intervention.

As a former educator, I recognize the importance of training for all teachers in learning disabilities and the importance of specialized training programs for adults with learning disabilities.

Today I honour and recognize the learning disabled, each of whom struggles daily to learn. I also honour those who provide them with support of all types.

* * *

CANADIAN WHEAT BOARD

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, Canadian farmers are no strangers to the hardships of climactic extremes. As our economic climate becomes increasingly competitive, farmers are confronting a growing storm of cutbacks and continuing trade wars, especially downward pressure from the American export enhancement program.

At the eye of the storm is the Canadian Wheat Board, one of Canada's great institutions. In such a climate the board plays a critical role by supporting the principles of orderly and fair marketing and in essence works on behalf of farmers.

I have received copies of several hundred letters written by Canadians from ridings across western Canada who feel the same way. All of these letters say the board should remain a strong selling agency for the Canadian farmer. Many suggest it should be given an even stronger mandate.

In the truest sense, the Canadian Wheat Board is an organization that works for Canadian farmers. I congratulate those farmers and support their initiative.

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• (1105)

YOUTH SERVICE CANADA

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I would like to update the House on a successful Youth Service Canada project conducted by the Institute for Enterprise Education in St. Catharines.

The program provided training and practical experience with local business people in entrepreneurial, interpersonal and labour market skills. It paved the way for a successful school to work transition.

With 19 full term students, seven have secured employment within their career path objectives working with other entrepreneurs. Nine have already begun business operations and three are finalizing their business plans and proceeding with their business start-ups.

I have worked with the youth enterprise program from start to graduation. I am very pleased with the accomplishments of the students.

We can all celebrate the successful program sponsored by Human Resources Development Canada. I also congratulate the Secretary of State for Training and Youth for working with our youth and making this program such a success.

* * *

[Translation]

CANADIAN NATIONAL

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, as the official opposition pointed out during the debate on back-to-work legislation for railway employees, the Minister of Transport waited until the government had wielded its big stick before starting the process of privatizing Canadian National.

The Minister of Transport, who openly sided with the employers and against the employees in the railway dispute, was anxious to downgrade the terms and conditions of employment at CN so it would be easier to privatize the company.

The minister did not even have the decency to wait and started his privatization process less than a week after the passage of back-to-work legislation. Now more than ever before, it is clear to railway employees, and Canadians generally, that the arbitration process put in place by the Minister of Labour in the railway sector is biased towards the employer. The opposition was right to condemn this bill.

[English]

JUSTICE

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, yesterday an Ontario court justice made a ruling that could very well affect the safety of all Canadians.

Justice Peter Howden ruled that a section of the Criminal Code clearly violates the rights of a criminally insane person because the role and powers of the federal Criminal Code Review Board are too broad and do not have clear standards.

This case centres around a criminally insane person who has been convicted of criminal charges on four separate occasions, including the beating of his aunt with a rolling pin. However, this is only the start, as 1,100 similar people being held on warrants wait for lawyers to find loopholes in the criminal justice system.

The minister has been asked by the Ontario court to step in and make changes to the code so that such a judgment would not take place. The minister hesitated in dealing with the Supreme Court decision in the Daviault case and we all know what followed.

The minister now has a chance to redeem himself. Canadians do not want a second blown opportunity. They want reassurance of a safe community and reassurance that dangerous offenders will remain in custody.

* * *

SUSAN AGLUKARK

Mr. Jack Iyerak Anawak (Nunatsiaq, Lib.):

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

[English]

On Sunday the Juno Awards for Canadian music excellence were handed out. Among the winners was a young Inuk from my constituency, Susan Aglukark. Susan received two Junos, one for best new solo artist and one for best music of aboriginal Canadian recording.

These Juno Awards are in addition to the rising star trophy she received at last year's Country Music Awards and her 1994 National Aboriginal Achievement Award.

It is fitting that Susan should receive these Junos this month as March is Aboriginal Language Month. An Inuk from Arviat, Northwest Territories, Susan is proud to sing in her native language, Inuktitut, as well as in English. Her newly released album "This Child" is meeting with great success. Her music touches the hearts of many.

Congratulations, Susan.

THE LATE DONALD MORROW

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I rise today to pay tribute to a man who served his community, his province and his country with distinction.

Don Morrow died in Ottawa on Wednesday at the age of 86. He represented the people of Ottawa West in the provincial legislature for 29 years, from 1948 to 1977, and served as the Speaker of the Ontario legislature.

Don Morrow had been out of office for nearly 20 years. However, his service to his community and his links with its people were so strong that when Don Morrow walked into a room or down a street, he was greeted with warmth, affection and remembrance.

I think that is what we would all like to have at the end of our careers.

I say thank you to his family for the time they allowed him to give to all of us, and I offer our condolences on his passing.

* * *

• (1110)

[Translation]

HUMAN VALUES

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, the regional commissions have finished their work in Quebec and have submitted their recommendations to the national commission. Unfortunately, some remarkable facts came out of all this which were not reported by the media. Many people set aside the constitutional and political option to discuss a blueprint for society, a society based on human values and social measures that enrich all members of society and reflect the philosophy that we are our brother's keeper.

They rejected out of hand a number of corporate values, including those of multinationals who want no government intervention, and free trade where the profit motive is king and one must be competitive at any cost.

I am convinced the same exercise would produce the same results across Canada, in other words, all Canadians want to live in a country where human values come first, and the economy must serve the people, not the other way around.

* * *

CANADIAN ARMED FORCES

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, after strangely downplaying the importance of the increased number of suicides in the Canadian armed forces, and, in particular, among the military returning from peacekeeping missions, the

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Minister of Defence finally agreed yesterday to look into these tragic incidents.

The situation is very distressing. Why are members of the military more inclined to use external rather than internal resources to overcome the difficulties they face in adjusting on their return?

The official opposition wants answers to these troubling questions. It calls on the government to act quickly in this matter and make public the results of the Minister of Defence's internal inquiry.

* * *

NATIONAL DEFENCE

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, five Airbuses purchased by the Department of National Defence at a cost of \$250 million three years ago have spent 11 months of the year on the ground.

[English]

National defence's spending \$250 million taxpayer dollars for planes to sit on the ground for 11 months of the year is beyond comprehension. All the while we are spending another \$45 million per year just to move our troops around the country. What is going on?

While it has been clear that the defence minister has many troubles in his department, this simply cannot go on. These planes and all the money we have been spending is not in the best interests of our troops and not in the best interests of taxpayers.

So my message is, stop the waste and spend the money on better equipment for our troops who work so hard and make Canadians proud.

* * *

LIVER DISEASE

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, March was proclaimed Help Fight Liver Disease Month.

The liver is one of the body's largest and most crucial organs. Much like a complex chemical factory, the liver manufactures essential proteins, cleanses the blood and stores energy vital to the functioning of the human body.

There are over 100 known liver and biliary tract diseases, including hepatitis, cirrhosis and cancer of the liver. An estimated one in 12 Canadians of all ages, races and cultures are expected to develop a liver disease at some point in their lives.

For over 25 years the Canadian Liver Foundation has been striving to reduce the impact and incidence of all liver diseases through support for research and education. Health Canada contributes to the fight against liver disease through its support for research into improved treatment and prevention.

Oral Questions

I salute the Canadian Liver Foundation and all its volunteers who worked during this Help Fight Liver Disease Month.

* * *

FISHERIES

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I rise today to speak about an issue that has been at the forefront of the news in my province of Newfoundland and indeed, all of Canada, the conservation of the turbot stock.

I congratulate the Prime Minister and the fisheries minister on their unfailing commitment to the preservation of the turbot stock on the nose and tail of the Grand Banks.

● (1115)

Last week I attended the 22nd annual meeting of the Canada and European Parliaments and had the opportunity to discuss with them fish conservation. I spoke to many European parliamentarians, including those attending the European fisheries committee. Many of these people expressed support for Canada's efforts to conserve turbot stocks from overfishing.

As a result of these talks a joint resolution was signed by members of both the Canadian and European delegations to these meetings. The resolution recognized the need to ensure that turbot and other fish stocks are fished in a sustainable manner so they can be conserved for future generations.

I look forward to further progress being made on this issue at the UN conference on straddling stocks that is presently taking place in New York.

* * *

THE CABINET

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, baseball fans are worried about the calibre of play this season if replacement players take to the field. If the second stringers in the Liberal cabinet are any indication, fans should be worried.

No one has dropped the ball more than the minister of defence playing outfield. He missed the signals on the Bosnia peace-keeping play. He misjudged airborne base hits and dropped the Fowler ball. He cannot find the bases because he keeps moving them.

Let us look at some of the other players. The heritage minister writes notes during the game. The minister of Indian affairs is drafting separate rules for aboriginal players. The health minister is headed back to the minors. She swings her bat without hitting. The minister for western economic diversification hits every ball to the centre fielder, named Winnipeg. The justice minister fired a bullet over the pitcher's head and was arrested for playing with an unregistered bat. The environment minister takes too big a lead off to suit the Prime Minister. She will be tagged out.

Fans know it is time to get concerned when the star player, the Prime Minister, tells the President of the United States that Canada has won the world cup of baseball two times in a line.

ORAL QUESTIONS

[Translation]

SOCIAL SERVICES

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

At a time when the federal government is bragging about the new freedoms it is giving the provinces in the areas of social assistance and post-secondary education, Ottawa is getting ready to impose new national standards in these areas of provincial jurisdiction, actually restricting the freedom of the provinces and of Quebec.

How can the minister reconcile the statements he made yesterday that the 1995 budget in no way shows any readiness on the part of the federal government to impose more national standards on the provinces, when legislative measures introduced since blatantly encroach on the powers of the provinces and of Quebec in areas which fall exclusively under their jurisdiction?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, no new conditions are set out in the omnibus legislation.

As the hon. member knows, the Canada Health Act already has a series of requirements for the provinces to meet. Those are being maintained. There are also requirements under the Canada assistance plan about mobility, to ensure that everybody in need gets assistance. Those are the conditions which are being put forward in the legislation, subject to future discussions and negotiations with the provinces to see how we can provide a more coherent approach to social programming across Canada.

Frankly, the assumption which the hon. member makes is simply not the case.

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I would like to point out to the minister that he is adding conditions. This having been said, how can the minister justify that the provinces, to whom the Constitution grants exclusive jurisdiction over social assistance and education, will only play a consultative role regarding the determination of the new national standards?

*Oral Questions**[English]*

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the proposed transfer program is a clear recognition that the provinces can take more responsibility for making decisions.

We are freeing up and making far more flexible their choices of priorities within a broad range of programming on education, welfare and health. That is the whole point of consolidating the existing transfer system, to give the provinces the freedom of choice to look at programming which suits the individual needs of their own areas.

At the same time, it is a national transfer program. There are base conditions and those conditions are already X stamped, as we said in the budget itself, such as the five conditions under the Canada Health Act and the condition under the Canada assistance plan which protect the mobility rights of Canadians so they can move from one region to another and still be eligible for some form of assistance. Those are the basic conditions which were put forward.

- (1120)

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I understand clearly that national standards are here to stay.

But given the government's policy regarding transfer payments, which will ensure that Ottawa will dictate these national standards and will reduce the provinces to mere administrative branches, are we to take this as another example of the flexible federalism so touted by the Liberals?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the hon. member is obviously trying to use scare tactics. The budget makes it clear that fewer strings will be attached to the Canada social transfer than was the case for transfer payments previously.

The conditions to be met in the area of health care remain the same, as is explained in the budget. There have never been any conditions tied to post-secondary education, particularly in Quebec, which has opted out since 1964. All the conditions tied to social assistance have been eliminated, excepting the one barring any minimum period of residency to qualify.

Therefore, it is very clear, and the budget states this, that any future federal-provincial agreement will be based on mutual consent and, consequently, contrary to what the hon. member would have us believe, there are fewer conditions to be met than before.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, while it is recognized that social assistance and education come under provincial jurisdiction, the federal government clearly shows its intention to interfere shamelessly in these areas of provincial jurisdiction by imposing its views and goals on the provinces through national standards.

My question is for the Minister of Intergovernmental Affairs. How can the minister reconcile this denial of the provinces' exclusive jurisdiction, which leaves the door wide open to confrontation with Quebec, and the openness, mutual understanding and flexible federalism he is talking about?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I am hearing the exact same argument being put forth again and it is as flawed as it was in the previous question. The budget clearly indicates that the requirements attached to social transfers will be reduced and that, if social assistance programs are subject to standards, these standards will be set by mutual consent.

This is mentioned several times in the budget. There is no mistake about it and I can only conclude that the members opposite are, once again, misrepresenting to the people of Canada and Quebec facts that are clearly stated in the budget.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the mere fact of thinking about imposing standards or Canada-wide requirements in areas of exclusive provincial jurisdiction constitutes in itself interference in Quebec's exclusive jurisdiction. That is what the minister just said.

Some hon. members: Hear, hear.

Mr. Loubier: Will the minister acknowledge that explicitly linking transfer payments for social assistance, postsecondary education and health, which are areas of exclusive provincial jurisdiction, to strict compliance with national standards imposed by Ottawa looks like a new attack against Quebec?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): The propaganda effort continues, Mr. Speaker. The Bloc Québécois just keeps stating a position contradicted by facts, by the budget and by reality.

I can only repeat what I said earlier, namely that the budget is clear, that the requirements for social assistance have been reduced, that, if any standards are established, they will be established by mutual consent. It is very unfortunate that the opposition informs the people of Quebec so poorly on such major issues.

*Oral Questions**[English]***NATIONAL DEFENCE**

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, it has been reported today that diplomatic sources and federal officials are deeply concerned that Canada's peacekeepers will be targeted by the warring factions in Bosnia and Croatia.

They say Canadian combat troops are entering one of the most dangerous conflict zones at a time when tensions are rising and fighting is escalating.

• (1125)

Given the government's expressed concern for the safety of our peacekeepers, why are we now sending more troops to Bosnia and Croatia?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member knows very well that a variety of scenarios can exist on peacekeeping missions, particularly one of this nature where the requirements of the peacekeepers are so varied and different, whether it is in Croatia or in Bosnia.

He also knows that the Canadian forces have a number of contingency plans to counter any of these operations. We are prepared. We have contingency plans. He also knows that it would not be appropriate to divulge the contingency plans on the floor of the House of Commons. I see he is nodding, Mr. Speaker.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the government's ad hoc approach to peacekeeping in the former Yugoslavia is unacceptable. It is sending our soldiers into a war zone with no criteria to judge when that mission is accomplished.

We are heartened to hear that the military is drawing up secret evacuation plans but it should not need to because the government should not be placing our troops in danger for what looks to be a futile cause.

What criteria has the government established to decide when our troops are to be withdrawn?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, perhaps if the hon. member had a conversation with the hon. member for Esquimalt—Juan de Fuca, who voted in favour of our troops in Yugoslavia, he may be enlightened as to what it is we are thinking about.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): We still did not find out the criteria, Mr. Speaker.

The last time the government renewed our mandate in the former Yugoslavia, the minister said he would reconsider our participation if the situation on the ground changed. The situa-

tion did change. Canadian soldiers were taken hostage and the minister was powerless to act. Instead of learning from the past, the government is making the same mistake again.

Lord Owen is right. Our peacekeepers are the best in the world. The government should not be putting them into obvious danger. Will it reconsider its decision and move to withdraw Canadian peacekeepers now while it has the chance?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, to correct what I said, there was no vote when we debated this a few nights ago.

The hon. member for Esquimalt—Juan de Fuca gave an eloquent discourse which indicated why he as a member of the third party supported our troops in continuing to discharge their mandate like the other 34 countries in the United Nations, no matter how tough it gets.

We don't quit when the going gets tough.

* * *

*[Translation]***NATIONAL DEFENCE**

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister of Finance.

This morning, we learned that five Airbuses bought in 1992 by the federal government from Canadian Airlines International, at a cost of \$250 million, are grounded eleven months per year. At the same time, the government has a \$45-million-a-year contract with that company, to transport military personnel.

How can the minister tolerate such a waste and, at the same time, hit the poor so hard by slashing \$307 million in this year's budget for social housing, and over \$6 billion in the UI program, in the last two budgets?

[English]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I appreciate the question of the hon. member. Perhaps I could inform him and the House that the Canadian forces cannot afford to buy aircraft both for strategic airlift and for normal administrative movement of the troops.

The choice is to use either the airbus for strategic airlift and to contract out for administrative flights or to reverse it and to contract out for strategic airlift and use the airbus for administrative flights.

The hon. member may not be aware that we cannot rely on commercial aircraft for strategic airlift in time of crisis. We have decided to opt for using the airbus for strategic airlift, humanitarian purposes and for those things for which contingency plans are drawn up and may be required at a moment's notice.

[Translation]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, how can the minister explain this situation other than by saying that Canadian Airlines International is being systematically favoured? First, that company benefitted from the sale of those aircraft to the government, then it was awarded the contract for their maintenance, and now it is enjoying a \$45 million a year deal to transport Canadian troops while these Airbuses stay on the ground.

• (1130)

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, when the hon. member refers to the contract award to Canadian Airlines International by the Department of National Defence, he might want to take into account that at the time the tenders were called for that service to be provided both Air Canada and Canadian Airlines International made submissions.

What I thought interesting as a result of that is both airlines, particularly the airline not awarded the contract, Air Canada, stated publicly the process had been absolutely fair and appropriate.

* * *

INFLATION

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the biggest economic news since the budget is inflation. During the last four months consumer prices rose at an annual rate of about 4.5 per cent, well above the target of 3 per cent set by the Bank of Canada.

In large part this inflation is caused by the depreciation of the dollar and the higher prices of imports and exportables it has brought.

Will the Minister of Finance admit this inflation if unchecked threatens living standards much more than the spending cuts needed to balance the budget and to fix the exchange rate?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as the hon. member knows, one of the main reasons for the increase in inflation statistically was the actions of the tobacco factor into the new numbers compared with the previous numbers.

Inflation must be monitored. The Governor of the Bank of Canada has stated there are no inflationary pressures in Canada at the present time. However, to anticipate such pressures is clearly the responsibility of the Bank of Canada and the Government of Canada, and we shall exercise that responsibility.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, it is clear there are different ways of measuring inflation. I am talking about the price increases in the last four

Oral Questions

months annualized, not year to year inflation where the tobacco increases are important.

The minister and the governor have already stated what the minister just repeated. However, unfortunately the tightening of monetary policy will again push Canada into a recession. It is inappropriate since inflation is caused not by excess demand but the depreciation of the dollar.

Will the Minister of Finance allow the Bank of Canada to precipitate another recession to fight inflation or will he do the right thing and stop the decline of the dollar by a new budget that eliminates the deficit promptly and decisively?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the member opposite knows full well the independence of the Bank of Canada is a very important asset to the country. Our record in terms of low inflation, while very dearly bought, is also a major asset in terms of job creation and it is something we intend to maintain.

The hon. member knows the last budget is also a major asset to the country.

* * *

[Translation]

KANESATAKE RESERVE

Mr. André Caron (Jonquière, BQ): Mr. Speaker, my question is for the acting Prime Minister.

Yesterday the Prime Minister refused to rule out the possibility that Ottawa would hold discussions with Chief Jerry Peltier and the band council about setting up a casino at Kanestake, although the Government of Quebec has categorically refused to consider it, primarily for reasons of security.

Given the refusal by the Government of Quebec, the sole games and lotteries authority, can the federal government tell us whether it plans to continue discussions with Jerry Peltier?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, we are well aware of the fact that casinos are a matter of provincial jurisdiction at the moment, and I hope that it will be possible to have discussions with parties wishing to set up casinos anywhere in the country.

Mr. André Caron (Jonquière, BQ): Mr. Speaker, given the minister's response, are we to assume that the federal government will put an end to any discussion, present and future, on setting up a casino in Quebec?

• (1135)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, there are rights of discussion and free speech in this country. The Government of Canada cannot stop anyone from

Oral Questions

discussing anything. However I repeat that currently casinos come under provincial jurisdiction.

* * *

[English]

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, yesterday the police association announced it was withholding support for the minister's gun control measures until it has the assurance the criminalization of current lawful firearm owners, such as non-compliance with registration, is taken out of the Criminal Code.

In view of this, will he now consider addressing the two areas separately, one that imposes stricter penalties for the criminal use of a firearm and one that deals with the regulation and ownership of a firearm?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I must slay the hon. member's beautiful hypothesis with a brutal fact. Yesterday the Canadian Police Association, representing some 35,000 frontline police officers, endorsed every element of the government's firearms package.

I shall be happy to share with the hon. member a copy of the resolution. It endorsed the government's prohibition on small calibre handguns. It endorsed the government's prohibition on assault weapons and it endorsed registration of all firearms.

In respect of the specific registration system proposed in Bill C-68, the Canadian Police Association endorses it subject only to two points, that the costs would not be taken from the operational budgets in place at present for the police, assurance of which I gave readily yesterday, and that some means be found by which first offences for non-registration could be dealt with on a regulatory rather than a criminal basis.

In respect of the second point, I expressed concern about achieving compliance. The response given by the police association was that perhaps instead of a criminal offence, if someone does not register, the first time around their gun should be confiscated. My response was that based on that approach perhaps we can do business.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I have in my possession the stand the Canadian Police Association has issued. It is clear it has concerns in other areas such as the lack of enforcement regulations within the statute and the existing Criminal Code.

The police association has expressed concern about the inadequate enforcement of the present laws, as many of us are concerned. In Cornwall last year eight individuals were charged

with possession of a prohibited weapon, three semi-automatic weapons, breach of probation and possession of drugs. They were given a \$1,000 fine.

Given what the police association has said, given the case in Cornwall and other similar cases across Canada, what guarantees can the minister give us regarding the administration of justice? Will it provide for the adequate enforcement of the laws he is creating?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in the course of the CPA's discussions this week on a whole range of justice issues, it identified areas where we can do better. There is no question there is room for improvement in every part of the criminal justice system.

It endorsed the firearms proposals by the government. The question had to do with enforcement mechanisms for criminal law. I assured the Canadian Police Association yesterday and throughout the week that we look forward to having its specific representations to the committee when it appears before it. If it has suggestions about improvements on the enforcement side, then working with the provinces, which are responsible for the enforcement of criminal law, we should be happy to see to it.

* * *

[Translation]

MARINE TRANSPORT

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, my question is for the Minister of Transport.

As a result of an administrative error made by Transport Canada employees, who, in July, applied measures which were only to take effect in September, Canadian and foreign shipowners were overcharged more than \$1 million. Instead of refunding the money, the minister is looking at introducing retroactive legislation to legalize this illegal collection of fees from shipowners.

● (1140)

Will the minister admit that the bill that he is getting ready to introduce legalizing this over-billing is a retroactive measure which fully goes against the fundamental principles of a society based on the rule of law?

Hon. Douglas Young (Minister of Transport, Lib.): No, not at all, Mr. Speaker. It all started with an administrative error, but shipowners knew exactly what they were supposed to pay. A standing joint committee acknowledged that an administrative error had been made. It is nothing new in such situations to correct the error through legislation, without there being any bad intentions on anybody's part.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, how can the minister justify penalizing businesses retroactively for an error committed by his own employees?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the error committed is one fully admitted to. The difference is who the Bloc Québécois wants to pay for the error.

The vessel owners understood there were fees to be paid. They paid them. There has been an administrative error. It is not unusual to have the Bloc Québécois try to have the taxpayers of Canada pay for administrative errors easily corrected by legislation.

* * *

GUN CONTROL

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

Obviously my Reform colleagues did not understand the importance of the decision and the resolution taken yesterday by the Canadian Police Association in response to its appreciation for the safety to be brought to communities by the legislation.

Would the minister explain to us exactly who the Canadian Police Association represents? Is it not the policemen who work on the streets in our communities from coast to coast?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is indeed.

We have had for several months now on the record a resolution passed by the Canadian Association of Chiefs of Police calling for a variety of measures with respect to firearms already in Bill C-68 and supporting full registration.

Until yesterday the Canadian Police Association, which represents the rank and file police officers, had withheld expressing a position on the bill or on registration until it had a chance through its own firearms committee to canvass the views of working police officers across the country.

Yesterday delegates from across Canada came to Ottawa for the purpose of making up their minds. They debated the issue and issued resolutions in which they support every element of the firearms bill the government has put forward subject to the conditions I have mentioned having to do with budgets and with decriminalization of the first offence.

It is extremely significant that this is a group representing the working rank and file police officers on the streets, the persons we look to for safety in the communities.

Oral Questions

PATRONAGE APPOINTMENTS

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, Reformers knew it was only a matter of time before the Prime Minister got back into patronage as usual.

Unlike his colleague, Jean-Robert Gauthier, Mr. Berger will not be given a seat in the Senate but will be made ambassador to Israel. Perrin Beatty, who stands to receive \$5 million from the MP pension plan, has been today appointed to the presidency of the CBC. I am sure he will give up his pension as a condition of that.

My question is for the Acting Prime Minister. Between junkets abroad and patronage appointments, why does the Prime Minister insist on doing business the same way Mulroney did, especially since the Liberals raised such a big stink on these matters when they were on this side of the House?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, with respect to Mr. Berger, what was in the press is simply speculation. Unless and until something happens in that regard, there is really nothing to comment on.

With respect to Perrin Beatty, he is an experienced former parliamentarian and minister who held portfolios involving national revenue, foreign affairs and communications. It is felt he has the necessary skills and experience to handle the position of the president of the CBC.

I can confirm his salary will be reduced by the amount of his pension. Therefore he will not be double dipping. Furthermore, since Mr. Beatty sat in the House as a Conservative, it is not a partisan political appointment.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, patronage is patronage.

Some hon. members: Oh, oh.

• (1145)

Mr. Silye: Patronage is an appointment or a promotion given by a patron to a former patron. Politicians are all part of the same old club. It is plums and rewards like this that Reformers want to put an end to.

I have a supplementary question. With Kim Campbell going off to Moscow when can we expect to hear or when can we get confirmation that Mr. Brian Mulroney will be singing "When Irish Eyes are Smiling" from the Emerald Isle?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the law passed by Parliament gives the responsibility to the government to appoint the president of the CBC. It is a responsibility that has to be carried out in order to ensure that vital national institution operates.

Oral Questions

With respect to his idea that any appointment made by government is improper patronage, I regret very much that he is criticizing so severely the fact that his leader's father has been sitting in the Senate under similar circumstances for many years. He ought to be ashamed of himself for attacking his leader's father.

Mr. Silye: He should have been elected.

* * *

[Translation]

NCC CHAIRMAN

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, the chairman of the National Capital Commission, Mr. Marcel Beaudry, says that he attended a fundraising dinner organized by the Liberal Party of Quebec because this was an activity for the No committee. However, the dinner invitation, printed on party stationery and signed by Mr. Beaudry, clearly refers to a fundraising dinner for the Liberal Party of Quebec, which was confirmed by the Liberal MNA for Champleau, who said she had collected \$30,000.

My question is directed to the Minister of Canadian Heritage. Considering these new facts, does the minister agree that Mr. Beaudry knowingly lied before the Standing Committee on Canadian Heritage last Tuesday?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I was asked a similar question a few days ago. I said quite frankly—

Some hon. members: Oh, oh.

Mr. Dupuy: Will they for once have the courtesy to listen to the answer?

The Speaker: Hon. members, the questions are legitimate and so are the answers. I would ask you to listen to the answers as well. The Minister of Canadian Heritage.

Mr. Dupuy: Thank you, Mr. Speaker. The other day, when similar charges were made, I said that the chairman of the National Capital Commission had the right to exercise his rights as a citizen during his leisure time.

That is what he did. The event took place on a Saturday night. I do not expect the chairman to be at his office on Saturday night.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, obviously, the Minister of Canadian Heritage is not prepared to act responsibly and do his homework.

My supplementary is directed to the Acting Prime Minister. In the light of these new facts, including the letter signed by Marcel Beaudry on Quebec Liberal Party stationery and what was said by Mr. Beaudry and the MNA for Champleau, does the Acting Prime Minister intend, once again, to submit this case to the ethics counsellor for an opinion and to release that opinion once it is received?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleagues are so blinded by their own political passion they are now asking me to prevent a Canadian from exercising his political rights in this country. I certainly have no intention of doing so.

* * *

[English]

CRIMINAL CODE

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, on Wednesday an Ontario court justice ruled that the section in the Criminal Code dealing with criminally insane patients was unconstitutional. The judge has given the government six months to change the section.

• (1150)

What actions will the government be taking to meet the September deadline?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, first, I believe the Ontario government will be considering the question of whether to launch an appeal as it is a party to the proceeding. The federal government intervened at the first instance and, if an appeal is launched, may well intervene at the appellate stage as well.

Second, depending on whether an appeal is taken and obviously depending on the timing of an appeal if it is brought, it may be necessary to apply for an extension of the six-month period which is permissible under the rules of the court. If that were to be necessary I have no doubt that such an application would be considered and, if appropriate, it would be brought.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, Canadians are already concerned about high risk offenders walking the streets of their communities.

What assurances can the minister give Canadians that the government is taking steps to prevent innocent citizens from all high risk dangerous offenders, whether or not they are criminally insane?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I know of the hon. member's continuing concern in this area. I want to assure her that I share it and that steps are being taken.

We have already announced our intention to strengthen the existing dangerous offender provisions in the Criminal Code. Two weeks ago the Solicitor General announced the new flagging system to make it easier for prosecuting lawyers to have information about what people should be subject to such applications.

In addition we have announced our intention to introduce legislation to strengthen the dangerous offender provisions by removing the requirement for two psychiatric opinions before the court. We are also looking favourably at the recommenda-

Oral Questions

tion from the federal-provincial-territorial task force to add long term offenders as a category to the code.

In May the Solicitor General and I will be convening a meeting of constitutional experts and others to look at other strategies we can take within the law to protect society from those who are at high risk of reoffending.

* * *

INFORMATION HIGHWAY

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, Canada's move toward a knowledge based economy presents tremendous economic and educational opportunities for all Canadians. It is very important that these opportunities are made available to all Canadians, not only those in urban areas but those in rural and remote areas as well.

Could the secretary of state tell the House what steps the government is taking to ensure that Canadians in rural and remote areas will have access to the opportunities afforded by the information highway?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, as member for the rural riding of Portage—Interlake I share the hon. member's concern for rural areas and thank him for his question.

The government is working very hard through programs like SchoolNet, the community access centres and the senior centre information project to ensure the information highway gets out to all areas of Canada and that rural Canadians can benefit equally with urban Canadians.

The community access centres program is now being piloted. The first official competition will be due in October. We are working hard so that the program will be a success and will enable rural communities to participate. Members of Parliament will be fully briefed on the program before the summer break so they can help their communities in submitting briefs and empower people from one end of the country to the other to participate fully in the information highway.

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[Translation]

AIR CARRIERS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my question is for the Minister of Transport.

The minister is always telling us about the progress he has made in the air transport industry and the satisfaction expressed by the presidents of the two main carriers. In fact, since his international route allocation policy was announced in late December, and because of his decisions systematically favouring Canadian International in the allocation of international

routes, Air Canada shares are taking a beating on the stock market.

My question is this: How can the minister maintain that he acted fairly and equitably, when, according to Standard and Poor, Air Canada has been hurt by the minister's recent decisions giving Canadian International access to the American market, Chicago and New York in particular, without any compensation for Air Canada?

• (1155)

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, as you can appreciate, the financial situation of any company with publicly traded shares is a very delicate subject matter.

I must, however, tell my hon. colleague that the reason why I say that we have acted as equitably as possible in this whole matter is that, after years of controversy and difficulties in the Canadian air transport industry, the directors of both carriers are telling us and stating publicly that we have acted fairly and efficiently.

My hon. colleague should know, for example, that Air Canada decided the day before yesterday to proceed with a \$500 million share issue and that, throughout this process, Air Canada notified Canadians that it had to purchase new planes and hire over 600 people. I think that, if we in the House of Commons want to be fair and equitable, we should realize that great progress has been made. The situation is not perfect, but we think that both carriers are about to experience years of growth that will be much more interesting than what we have seen in the past.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, how can the minister draw a parallel between Hong Kong, a route which Air Canada is ready to start servicing in the summer, thus creating 500 jobs, and Germany, a route which Canadian cannot even start servicing by the end of the year because it does not have enough planes?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, it is very simple how we rationalize the decisions with respect to all our cross border and international air travel.

If I use the thesis put forward by my hon. friend, we would not have attributed all the rights we were able to negotiate with the United States. My hon. friend will know that Air Canada has orders with major aircraft manufacturers both in Canada and outside the country to be able to service the routes we have been able to negotiate internationally and with the United States.

If it were a question of only attributing routes or making it possible for Air Canada and Canadian to fly to areas where they have the aircraft for it, there would be a lot of things we would not do that we have already done.

Oral Questions

We are saying to Air Canada and to Canadian Airlines International: "This is where you can go. This is how we arrived at the decision. This is how you can plan for your future". That is why they can go out now and negotiate for the purchase or the lease of aircraft to be able to fly to routes that were closed to both Air Canada and Canadian Airlines International in the United States and around the world.

If the hon. member were to be careful and understand what we have achieved for airports across the country and for employees of both airlines, he would tell us that by the end of 1995 we will have done more to improve the situation for both airlines than was done in the previous 15 or 20 years in the country.

* * *

CANADA POST

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, it has recently come to our attention that the RCMP is investigating developer Jose Perez and his dealings with government officials.

I would like to have, if possible, the Solicitor General confirm or deny this report.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, it has never been customary in the House to confirm or deny RCMP investigations.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I will switch my tone then.

Let us talk about the Auditor General's report. On March 20 when I asked the minister a question he responded by quoting a special Auditor General's report. We found out that it had nothing to do with the question I asked. The dealings with Canada Post were not even mentioned.

Why would the minister of public works quote from that report because it has nothing to do with the matter?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, aside from the fact that it is not a supplementary to the member's first question, I want to say that I will be happy to inform myself further about what the report says or does not say, and then I will get back to the hon. member.

* * *

IMMIGRATION

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is directed to the minister of immigration.

The question concerns refugees who do not intend to buy 40-inch TV sets as their second or third purchase in Canada.

As the minister is aware no other country in the world charges a fee of \$975 for refugees. He has assured us, however, that loans will be available to refugees from poorer countries who cannot afford the \$975 fee. There is a catch—22 however.

• (1200)

My question is for the minister of immigration. Will he deny entry to those immigrants and refugees who do not meet the criteria to repay the loan? Will he assure us that no refugee will be denied entrance into Canada even though they cannot pay the \$975 fee and do not meet the criteria for qualifying to receive a loan?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it is not true that other countries do not charge various processing fees. We have decided to charge a landing fee, not a refugee fee, for accessing our system for two reasons. The first is so all newcomers to the country can join other Canadians in all walks of life in ensuring the prosperity of Canada into the future.

The second reason we are charging a landing fee is to ensure the settlement services will continue. It is the people who the member talks about that are in need of the settlement services the most. If we were not going to go the route of the fee, my impression would be that settlement would become a thing of the past. Therefore, we are doing it with the intention of helping the neediest coming into our country.

On top of that, the Minister of Finance has instituted a loan program so they can take out a loan and repay the \$975 to ensure their future in the best country of the world, just like kids of Canadian parents ask for loans of tens of thousands of dollars for education so that they too can ensure their future.

* * *

TAXATION

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, my question is for the Minister of Justice.

It is nearly a year since the Supreme Court ruled on the Suzanne Thibaudeau case on taxation of child support payments. At that time the government promised action on the level, enforcement and taxation of child support payments.

Can the minister tell the House why no action has been taken to make sure Canadian children get the support they need and deserve?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is true that the government has not announced a formal plan in relation to this matter, but there has been a great deal of action. A great deal of work has been done over the last 10 months on the subject of child support.

Point of Order

The government is approaching the issue based on three principles. First, that there should be guidelines or a formula provided by statute to assist the court in determining the amount to be paid for child support to relieve the parties of the expense and anguish of determining that through litigation.

Second, that the tax system should be examined to determine that it is fair to both custodial and non-custodial parents in providing the best for the children of separated families.

Third, that there is an effective national strategy for enforcing court orders once they are made.

In relation to the first matter, the federal-provincial-territorial report with respect to child support was published last January. It contains specific amounts in a proposed formula that is now under public discussion. We are learning from that discussion.

Second, in terms of tax, the Minister of Finance has been at work in that area and is completing an analysis of the options.

Finally, in enforcement, we have developed proposals that will be announced with the other two elements of the package which we believe will enhance the enforcement of support orders across Canada.

The Speaker: This brings to a conclusion question period, but I have a point of order by the hon. member for Crowfoot.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I rise on a point of order because I believe that the Minister of Justice has contravened the sub judge conventions of this House.

In response to my question on Monday, March 27 he stated, and I quote from *Hansard* page 11065:

The judgment that has been referred to is under appeal because the federal government believes at first instance it was simply wrong.

He goes on to state:

We feel in good faith the judgment at first instance in Alberta was wrong. We will pursue that appeal with every confidence that we shall win it.

Furthermore, on Wednesday, March 29, the minister, in response to a question by my colleague from Yorkton—Melville, stated, and I quote from page 11193 of *Hansard*:

The fact is that the judgment has been appealed. We are taking the position in the Court of Appeal that the judgment was in error.

• (1205)

Mr. Speaker, as you know citation 505 of *Beauchesne's* sixth edition states:

Members are expected to refrain from discussing matters that are before the courts or tribunals which are courts of record. The purpose of this sub judge convention is to protect the parties in a case awaiting or undergoing trial and persons who stand to be affected by the outcome of a judicial inquiry. It is a voluntary restraint imposed by the House upon itself in the interest of justice and fair play.

Furthermore, citation 506(1) and 506(2) state:

(1) The sub judge convention has been applied consistently in criminal cases.

(2) The precedents in criminal cases are consistent in preventing reference to court cases before a judgment is rendered; however, the convention ceases to apply after the judgment is given. Nevertheless, the convention is applied again when an appeal is launched.

Applying the sub judge convention, the hon. minister has put on the record that the *Simmerman* case is under appeal and he, with respect, has commented on the case. He has stated on more than one occasion that the judgment was an error. Mr. *Simmerman's* interests could be negatively affected by the minister's comments.

The convention covers all members of the House. This instance, with respect, also brings the issue of undue influence or ministerial interference into play. Ministers must be even more circumspect with their comments and actions due to their positions. With issues within their sphere of responsibility, they must be even more vigilant.

Here we have the Minister of Justice not only discussing a criminal case which is before the Alberta Court of Appeal, but he also stated that the original decision of the Court of Queen's Bench was wrong.

I suggest that this is where section (2) of citation 506 has been contravened, when it states:

—the convention is applied when an appeal is launched.

This convention has come to be especially for cases like this. I think members of the House will agree that the *Simmerman's* interest of justice and fair play have been compromised by the statements made by the minister.

I also bring the attention of the House to citation 493 of *Beauchesne*, whereby members are not to make personal attacks or censure judges and courts of justice.

The Minister of Justice on numerous occasions has stated that the decision of the Alberta Queen's Bench was wrong or in error. Furthermore, I would like to bring to the attention of the House to the case, *re Oulette Nos. 1 and 2*, cited at 32 Criminal Cases, second edition, page 149 whereby the Minister of Consumer and Corporate Affairs at that time was held in contempt by the Quebec Court of Appeal for making disparaging remarks about a trial judge's decisions.

Point of Order

Mr. Speaker, I ask that you rule on the minister's comments and if he has, in fact, contravened the sub judice convention and/or citation 493.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I rise in response to the hon. member's point of order.

First, I take very seriously my responsibilities both here in the House and outside, to respect the jurisdiction of the court, to abide by the sub judice rule and to bear in mind that as minister of the crown, I have responsibilities quite different from those judges of the courts of the country.

I contend as well that nothing I have said here or elsewhere in relation to the Simmerman case or its principle has offended the rule against commenting on cases before the courts.

May I first observe that it is passing strange that the hon. member should first ask me about a case in the House and then raise a point of order because I commented on the case in answering his question. It was in answering the very question put by the hon. member that I am alleged to have breached the rule. I was simply responding to a question put by the hon. member, and doing so in good faith.

Second, as I mentioned the other day, when the hon. member raised this point in question period, there is a great deal of difference between on the one hand commenting on the facts of a criminal case which is in process, whether at trial or on appeal, in a fashion that might prejudice the party, the accused, by indicating what findings should be made or who committed what act—that is highly improper—and on the other hand simply observing that we take a different legal interpretation of a statute which, in fact, is what is at issue in the Simmerman case.

• (1210)

I have said that we regard the legal interpretation put on the Criminal Code and the relevant sections at trial as not being the correct one. In fact, the Alberta government is appealing. The appeal is expected to be heard by the Alberta Court of Appeal in about September of this year. The federal government is now considering whether it will intervene in the appeal to put its point of view before the Court of Appeal.

There is precedent for the proposition. I say there is nothing at all wrong with a minister saying that we take a different legal interpretation of a statute than that put on the statute by a court.

It follows that the interpretation relied on by the court at first instance is not in accord with our interpretation. I suggest what is an issue here is that first we must show proper deference and respect to the court and its process and second, nothing must be

said or done by a minister or a member that would prejudice the rights of parties in a pending case with respect to matters of fact.

I say that neither of those principles has been offended by anything I said or did. This point of order is without foundation.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I wish to comment very briefly to add to what the hon. minister said.

First, in terms of the sub judice convention and citation 505 of Beauchesne's, it is obvious its purpose is to protect the parties in the case before the court. A member of Parliament has asked a question in the House to which the answer was the position the government would be taking vis-à-vis a particular case in an appeal.

It stands to reason that if the government is appealing the case, it is appealing it because it feels the original decision was in error; otherwise there would be no point in appealing a particular decision.

Second, the reference to the Oulette case is extremely inappropriate; it does not apply to this case. That particular issue had nothing to do with a comment made on the floor of the House of Commons, as the Speaker will obviously determine when he reviews the material surrounding that case.

Mr. Speaker, finally, you will recall through all cases I remember in the House of Commons where the sub judice rule has been invoked, it has been invoked and usually ruled on by the Speaker to ensure members do not ask questions in the House that are sub judice.

If there is a case to be made here, it is that the question should not have been asked as opposed to should not have been answered. Therefore, I am forced to turn the table around and to urge the Speaker that if someone is admonished, it should be in such a way as to remind the hon. members not to ask questions when the questions are sub judice.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I would like to bring two more facts to light with regard to this point of order.

First, when the question was asked, it was asked with regard to orders in councils that had been ruled out of order by this case. The question was whether or not the Minister of Justice had the authority to continue making those decisions. It was not a reflection on the case in Alberta.

The second point I would like to make is this. The federal government did not have intervener status in the provincial court case, so the federal justice minister really had no authority to make an intervention in a case that was not under his jurisdiction.

Those are two very important points that need to be brought to your attention, Mr. Speaker.

The Speaker: Colleagues, I am going to take all of the debate under advisement. I want the House to recognize and realize that in the case of a convention, it is under the discretion of course of the Chair to make whatever appropriate decision there is.

I would like to point out to all hon. members that the case of a convention is like an agreement, a tradition that we go by in this House of Commons.

• (1215)

Whenever a case has been before the courts, there has been no question there cannot be reference to that case in the House of Commons.

Most of the time this is left in the hands of the members, in their good judgment. In the case of a member asking a question he or she should take into consideration whether there is any infringement on this convention in any way.

On the other hand, when a responder is put in that position, he or she also must weigh this. Basically it comes down to members themselves.

With regard to this case, two cases have been put forth. I will look at all the interventions put forth. I am sure the House will give me the time to review precisely what was said in the original statements.

If there is need to come back, I will but I would like some time to review the whole matter again and perhaps give a little more direction to the House as to what direction we should be going in the case of a convention of the House.

If members would leave this with me, I will get back to the House at the earliest time if necessary.

* * *

[Translation]

WAYS AND MEANS

NOTICE OF MOTION TABLED

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, pursuant to the provisions of Standing Order 83(1), I have the honour to lay upon the Table a Notice of Ways and Means motion to amend the Excise Tax Act.

I ask that you designate an Order of the Day for the consideration of the said motion.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, pursuant to

Routine Proceedings

Standing Order 36(8), I have the honour to table, in both official languages, the government's response to a number of petitions.

* * *

COMMITTEES OF THE HOUSE

NATIONAL DEFENCE AND VETERANS AFFAIRS

Hon. William Rompkey (Labrador, Lib.): Mr. Speaker, I have the honour to present the first report of the Standing Committee on National Defence and Veterans Affairs, in both official languages, on its deliberations on Bill C-67 with amendments.

* * *

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY ACT

Hon. Douglas Young (Minister of Transport, Lib) moved for leave to introduce Bill C-81, an act to amend an act respecting the Buffalo and Fort Erie Public Bridge Company.

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

* * *

PETITIONS

GUN CONTROL

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, it is my privilege to introduce two petitions. One petition is from people in my constituency in Balcarres and Fort Qu'Appelle.

The petitioners request that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of crimes, support new Criminal Code firearm control provisions and support legislation that will repeal and modify existing gun control laws that have not improved public safety.

SOCIAL PROGRAMS

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, the other petition is from people across Canada.

The petitioners point out the importance of the social programs as the fabric of Canadian society, the importance that Canadians have access to proper health care, old age security, et cetera.

• (1220)

They are petitioning Parliament to maintain and enhance the social programs which are our right and heritage.

HUMAN RIGHTS

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I have three petitions to table.

Routine Proceedings

The first petition calls on Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

GUN CONTROL

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, the second petition calls on Parliament to reject the legislative proposal and to direct the Minister of Justice to reconsider his approach with respect to the gun legislation.

HUMAN RIGHTS

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, the third petition asks Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

[Translation]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, pursuant to the relevant provisions of our Standing Orders, I have the pleasure of submitting a petition signed by 41 petitioners who call upon Parliament to act swiftly to amend the Canadian Human Rights Act to explicitly proscribe discrimination based on sexual orientation in every area under federal jurisdiction and take the necessary steps to have same sex live-in partners recognized in federal legislation.

[English]

ASSISTED SUICIDE

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition signed by approximately 100 residents of Fredericton—York—Sunbury and neighbouring ridings which calls on Parliament to ensure present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in law that would sanction or allow the aiding or abetting of suicide or any activity designed to terminate human life.

HUMAN RIGHTS

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the honour to table two petitions signed by the constituents of Lincoln.

The first petition calls upon Parliament not to amend the Canadian Human Rights Act or the charter of rights and freedoms by the inclusion of the phrase sexual orientation.

The second petition calls on Parliament not to amend the Canadian human rights code to extend spousal benefits to same sex partners.

[Translation]

VOICE MAIL

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I have the honour to present a petition signed by 257 petitioners from my riding who pray and call upon Parliament to ask the government to abandon plans for voice mail for seniors.

[English]

HUMAN RIGHTS

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, I am pleased to present a petition signed by over 50 people who live in and around my constituency which calls on Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, I have the honour to table two petitions.

The first petition is signed by 53 people. It requests the government not amend the Canadian human rights code and the Canadian Human Rights Act in any way which would tend to indicate societal approval of same sex relationships or homosexuality.

BILL C-41

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, the second petition is signed by 46 people and calls on the government to request Parliament to delete section 718.2 from Bill C-41.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the following question will be answered today: No. 134.

[Text]

Question No. 134—**Mr. Breitzkreuz (Yorkton—Melville):**

Will the government please provide statistical evidence showing that violent crime has been and/or will be reduced and that public safety has been and/or will be improved by each of the following measures (a) the registration of handguns and other restricted firearms, (b) the prohibition of various types of firearms, (c) Firearms Acquisition Certificates, (d) the inclusion of safe storage, handling and transportation provisions in the Criminal Code of Canada, (e) restricting the sale of ammunition, and (f) the implementation of a universal registration system for firearms and firearms owners?

Mr. Russel MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): The firearms legislation of 1978, 1992 and the current legislative proposals have all introduced several different firearm control measures concurrently. As such, it is not possible for researchers and statisticians precisely to determine the extent to which specific control measures are or will be responsible for reductions in violent crime and increases in public safety in Canada.

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The following reports were produced for the Department of Justice Canada to provide the Minister of Justice and the government with background research and statistical information. These reports are available from the research and statistics directorate of the Department of Justice: "Firearm Ownership in Canada," 1991, by Angus Reid Group, Inc. (TR1991-8a); "Domestic Homicides Involving the Use of Firearms," 1992, by Dansys Consultants (WD1992-20e); "Gun Availability and Firearms Suicide," 1992, by S. Moyer and P.J. Carrington (WD1993-3e); "The Use of Firearms in Criminal Incidents in Toronto," September, 1994, by L. Axon & S. Moyer (WD1994-19e); "Review of Firearms Registration," 1994, by T. Wade and R. Tennuci of RES Policy Research Inc. (TR1994-9e); "Research on the Application of Section 85 of the Criminal Code of Canada," 1994, by C. Meredith, B. Steinke, and S. Palmer (WD1994-20e); "Firearm Statistics," October, 1994, by Kwong Hung, Department of Justice Canada.

[English]

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUDGET IMPLEMENTATION ACT, 1995

The House resumed consideration of the motion.

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, when I was speaking earlier today I was referring to the Canada social transfer.

By announcing the changes to its transfer payments this year, to take effect next year, the federal government has given the provinces plenty of notice of the changes so they may have time to prepare.

Statistics show that under the CST total transfers, including equalization to the most needy provinces such as Newfoundland, will actually increase in 1996-97 compared with 1994-95. Total transfers including equalization to Newfoundland in 1996-97 will increase by \$28 million compared with the 1994-95 levels. This demonstrates the federal government's commitment to both national standards and equalization among provinces.

• (1225)

Other initiatives to social security under the budget include an announcement that changes are to be introduced in September to reform unemployment insurance. These changes are to result in a reduction of 10 per cent to the overall size of the unemployment insurance program. In undertaking these reforms the Minister of Human Resources Development faces many challenges and has an abundance of conditions to rely on.

This past fall the Standing Committee on Human Resources Development undertook extensive consultations with Canadians on the topic of social security reform. During these consultations witnesses came forward time after time to tell the committee unemployment insurance systems often discourage people from getting back to work. People tell stories of being denied unemployment insurance because they wish to upgrade their skills while others get paid to stay home. Others tell of declining benefits while individuals whose spouses earn over \$100,000 a year collect generous benefits.

The impetus for any change in the unemployment insurance system must be to design a system that has as its underlying goal helping people get back to work while providing the limited resources available to those most in need.

The Minister of Human Resources Development will keep these goals in mind when he prepares to make the necessary reform to the unemployment insurance system.

On the scheme of social security reform the finance minister has promised to release a paper on the changes required to the public pension system in order to ensure its continued sustainability as our population ages. The underlining goal again in this review will be to ensure those most in need receive the limited resources available. Therefore old age security benefits will be provided on the basis of family income as is currently the case with the guaranteed income supplement. In addition, the Canada pension plan will be reviewed this fall to ensure its continued sustainability.

Another area I would like to address is the impact of the budget on small business. Small business is the engine that drives our economy. Today over 99 per cent of all businesses in Canada employ fewer than 100 people. The small business sector accounts for 40 per cent of Canada's GDP. More important, it now accounts for over half of all the private sector employment.

A recent survey by the Canadian Federation of Independent Business cited the deficit-debt as its number one concern. The finance minister listened to this concern and is maintaining his commitment to lowering the deficit, thereby providing the environment needed for small business to prosper. A lower deficit also means lower interest rates for small business borrowers.

Government Orders

The inability to access financing has also been cited by small business groups as an area of major concern. To this end the government has announced it will be working with the banks to devise meaningful performance benchmarks for small business financing. It is expected this process will be completed by the fall of this year. This will make loans more accessible to small business which in turn will generate job growth.

The government has further demonstrated its commitment by maintaining tax preferences for small business such as the \$500,000 lifetime capital gains exemption for small business shares and a lower tax rate on the first \$200,000 of income.

These measures in conjunction with measures to reduce the paper burden should ensure continued job creation through the small business sector.

I wish to speak on a topic closely intertwined with my home province of Newfoundland, changes the budget will bring about in the Department of Fisheries and Oceans.

I congratulate the Minister of Finance on maintaining his commitment to the TAGS program. Under the budget the total funding of the program remains at \$1.9 billion over five years, including the \$1.7 billion of new funding announced last year. This funding is to help Atlantic Canadians to adjust to the devastation in the ground fishery, a situation over which they have no control.

Atlantic Canadians are a proud people. Given the opportunity, they would much rather work than receive government assistance.

The funding is meant to help them to adjust to the sad reality that the ground fishery has been mismanaged and overfished by foreign vessels. Again the minister, through his commitment to this funding, has ensured that the most vulnerable in our society are protected.

• (1230)

Other measures such as the merging of the coast guard with the Department of Fisheries and Oceans will enable Canada to strengthen its conservation efforts even more outside the 200 mile zone at a time when it is most needed.

In summary, I am pleased to pledge my full support for this budget. It shows that the Liberal government can do more than simply talk about deficit reduction. By setting reasonable targets for deficit reduction and then meeting them, this government has earned the trust and respect of the people of Canada. More important, this budget has managed to reduce the deficit largely through expenditure reductions while ensuring that those in society who are most vulnerable are protected.

While it is not with any great pride that many of these expenditure cuts were introduced, it was out of necessity to

ensure that our economy stays on the road to recovery and our social system can remain sustainable in the future.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I am pleased to comment and ask a question.

Almost all of the Liberal members, including the hon. member who just spoke, keep patting themselves on the back for having attacked the deficit. Indeed, the announced deficit is targeted to go down. However, the fact is that interest rates are going up and the total interest payments are going up because our total indebtedness is still so very high.

Many Canadians do not know that with this budget, total government expenditures are actually destined to increase by some \$2 billion in this budget.

We need to lean into the debt and the deficit. It is my opinion, which I believe is one shared by most Canadians, that time is of the essence. The longer we wait the greater our interest payments grow. Even if the Minister of Finance and the government of the day meet their goals, we expect the interest payments will have reached a minimum of \$50 billion per year by the time this Parliament is finished.

We need to recognize that of that \$50 billion per year, a great proportion is sent out of the country in the form of interest payments to those international lenders who have loaned us money. It totally removes that available cash for providing government programs.

The Liberals keep speaking of providing these programs and not wanting to give them up. That is admirable and is a wonderful goal, but our interest payments are making it less and less possible to continue funding those programs. As a matter of fact, if we do not get a hold of it real fast our social funding will disappear in deference to the requirements to pay the interest.

I would like the hon. member to respond to the statement on the speed with which we are attacking the deficit. She will probably say that they are doing great. But specifically, how does increasing annual interest payments from \$40 billion to \$50 billion help our social program funding?

Mrs. Payne: Mr. Speaker, I thank the hon. member for his question.

As the hon. member knows, many factors have influenced our budget ever since it was brought down a month ago. These factors will continue to have influence. However, he is also well aware that over the last two years we have met our budget targets through the efforts of the minister. I am sure that effort will continue. Yes, we are concerned with rising interest rates. I am sure that is no secret to the hon. member as the minister has spoken on that a number of times.

I do not believe and I am sure the hon. member, based on some of the statements he has made earlier in this House, is very well

aware that we cannot reduce the deficit on the backs of those who most need our assistance. They are a very vulnerable group.

Perhaps throughout the next year the minister will again need to do some readjusting as various factors affect our financial position.

• (1235)

The Acting Speaker (Mr. Kilger): Before we resume debate, I just want to apprise the House that we have now exhausted the five hour maximum for the debate. We now go to the next stage of debate, which are 10 minute interventions without questions or comments.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, I want to start my remarks on Bill C-76 by recognizing that in February 1995 the Minister of Finance brought down a budget which departs substantially from normal Liberal philosophy.

This is the budget that should have been introduced in February 1994. Rather than taking firm action then, the Liberals just cried and moaned about the mess left by the Conservatives. That was the time to really reduce spending and take corrective action.

Even now, the unrealistic 3 per cent of GDP target chosen by the Liberal government is akin to a high jump contest where the bar is never raised above two feet. Anyone can clear the obstacle because it is not a real test of capability. So the minister's crowing about achieving or exceeding his budget goals is ridiculous.

The aim should have been to present interim targets on the way to a balanced budget by the end of this Parliament, along with a plan to show how this was to be achieved. But this government had neither the political will nor the courage to set these realistic goals which are desperately needed if Canada's vaunted social programs are to be protected and sustained.

There is no question that various special interest groups and some Canadians would cry: "Yes, cut spending, but not in my program", or: "Yes, you should save money, but not on my subsidy".

The Reform Party has established that there is a large constituency in our country which recognizes and is ready to accept the need for meaningful spending reductions which will lead to a balanced budget. Historically, governments, including this one, have preferred to take the easier road, making a few spending cuts and raising a few taxes but not taking the measures really required to balance the books.

The federal debt has climbed from \$28 billion in 1970 to nearly \$550 billion today, a 28-fold increase. Among major developed countries only Italy has a larger debt relative to the size of its economy.

I have trouble visualizing a billion. I can come into the picture somewhat with a million, but a billion really escapes me. To try to put it into context, I converted it into time and used seconds as the basis. One million seconds is just under 12 days, 11.82 days

exactly. A billion seconds is almost 32 years. This puts it into some perspective as to how large a billion is.

After running up a serious deficit during World War II, Canada's debt to GDP ratio gradually declined until the mid-1970s. The last federal surplus was recorded in 1970. From that point on governments continually spent money they did not have and in so doing accumulated the debt burden which saddles us today.

It took Reform Party insistence and concerned taxpayers to convince this government that Canada has a serious debt problem which must be addressed not by increasing taxes, but rather by reducing spending.

Then Moody's rattled the chains. Foreign investors expressed their concern that Canada's finances are in serious trouble, saying: "Either put your act in order or we will invest our money elsewhere".

With one-quarter of our national debt held by international money markets, Canada is hostage to their demands for a good return on the buck. Furthermore, while Canada has been an attractive place to invest money because of our stable political climate, the Quebec problem has put that climate in question and thus our finances are subjected to greater scrutiny.

As I said earlier, the federal debt is now almost \$550 billion and provincial and municipal governments owe another \$190 billion. Under Liberal plans, within three years the federal debt will increase by \$100 billion to almost \$600 billion and interest payments on that debt will climb to \$52 billion. The result is that interest payments will account for nearly one-third of our total federal budget.

In 1981 the share of the provincial debt for each man, woman and child was \$4,500. When a child is born here today, he or she enters Canada owing over \$25,000. In fact, everyone pictures a baby being born and the doctor holding it up by the heels, slapping it on the bottom to get it to cry and start its life cycle. That is no longer necessary. All the doctor has to do is hold the baby up and say: "You owe us \$25,000 and the baby automatically starts to cry".

• (1240)

When the Liberals took office, interest charges on our debt were \$39 billion. Under their projected budget plan, by the next election those interest charges will have risen to \$52 billion and as I said before will comprise almost one-third of our annual budget.

This means that more than 30 cents out of every tax dollar will be devoted to paying the interest on the debt. At that time the Liberals still project a deficit of \$24 billion. Our debt is continuing to rise as will the interest payments we will be forced to pay.

This Liberal budget fails to deliver. The Liberals have no plan to balance the books by the end of their mandate. They have no plan to answer the problems rapidly approaching with an aging population. The Superintendent of Financial Institutions has

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warned that the Canada pension plan will be exhausted in 20 years.

Despite the added pressure of an ever increasing deficit and debt to service, the government must still deal with this problem. It is clear the looming interest payments on the debt will virtually kill pensions and other social programs. Also, transfers to provinces for health, post-secondary education and welfare will be lumped into the new Canada social transfer.

The deepest spending cuts are left until next year when the \$7 billion in social program cuts begin. Provincial transfers will be reduced by \$2.5 billion in 1996-97 and \$4.5 billion in 1997-98.

To what extent will spending cuts be downloaded to the provinces? A lump sum payment will be given to them and the feds say: "Find a way to save the money, but you must still live by our rules or we will withhold the transfers".

This budget does not place resources and responsibilities in the hands of those levels of government closest to the people. It does not include tax point transfers which would give provincial governments the resources needed to pay for their social programs.

Without social program reform, the provinces and the taxpayer will have to carry the burden. They will be asked to streamline programs. However, if the federal government does not like the changes, it can withhold the money.

Programs to natives, Inuit and Metis will increase. Yet the government has not taken measures to clean up what are clearly identified as badly managed programs. Despite budget cuts, spending will increase by \$600 million because of escalating interest payments alone. This budget is an example of the consequences of not eliminating the deficit quickly.

On the other hand, the Reform Party's taxpayers budget would eliminate the deficit in three years with spending cuts and no tax increases. The taxpayers budget would restore labour market efficiency through the reduction of social program dependency. It would create an economic climate that would lead to lasting private sector job creation.

What will it take to ensure governments—this one and those that follow—live within their means by not spending more than they take in? We can look to Switzerland for an example. The Swiss enjoy one of the lowest marginal income tax rates, a high standard of living and a generous social safety net. How do they do it?

The Swiss government is required to go to the voters if it wants to raise taxes or spend more money. The government is constitutionally bound to live within its means. This has been in place for years and it works. Government is accountable to the

people. Is that not the way democracy should work? It is representation by the people and for the people with the people having control of the purse strings. I wonder how those fat pension plans for MPs would fare if they had to go to the public to be approved.

The Swiss must also be consulted on any law or regulation. Does anyone remember the Liberal red book's promise to scrap the GST? In fact, the Swiss government asked the people to approve a similar goods and services scheme. Three times the voters said no. The fourth time the plan was successful and has just been implemented this year. If the Swiss decide they do not like the tax, they can rescind it by petitioning government to remove it. I am sure every Canadian would approve of tax and expenditure limits for their government.

This government had the good fortune to inherit a healthy economy. If the economy slows, as is expected, added pressure will be brought to bear at a time when the deepest budget cuts must take place. If we call this a debt crisis today, what will we call it then? This budget plan will still add to the debt and continue the erosion of social safety nets.

• (1245)

Our only hope is that the Minister of Finance will not be swayed and will continue to find ways to save money and ensure that programs are effective in their delivery while providing the necessary means to evaluate the programs. If programs do not achieve what they were intended to, they should be eliminated.

Spending cuts are important, but even more important is the acceptance of the need to balance the budget and the presentation of a plan that will take us there. Although too little and too late the budget was a step in the right direction.

The government is now left to do what must be done: plan to balance the budget during this term of Parliament and tell Canadians how it is going to do it.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I welcome the opportunity to speak on the budget. In the week immediately following the budget I had two public meetings with constituents, two meetings with farm groups, and one meeting with the forestry industry.

My purpose in holding the meetings was to set out as well as I could the facts arising from the budget so that together with the constituents in my community we could understand the impact in a real sense and manoeuvre and develop policies to address the future.

In so doing I believe we were able to examine critically the budget and to obtain constructive feedback. I will come to the feedback later in my remarks. It is no secret that the priority of the government is to restore Canada to fiscal health and meet the

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target of deficit reduction we campaigned on in the last campaign: 3 per cent of GDP by the end of 1996-97.

The budget takes strong action to deal with the deficit. It is tough and it encompasses painful program cuts. The government strategy required savings on government expenditures, program review, and some tax changes.

In so doing programs that many of us, myself included, hold near and dear have been cut. We have attempted as a government to be balanced across the regions and across the industries on both the social and the tax expenditure sides. Regardless of the facts it does not make dealing with tough fiscal measures any easier or make the impact on those affected any less.

Turning to the meetings I have had with constituents, farmers and especially my former organization told me in no uncertain terms that they felt the budget was tougher on the agricultural sector than on other sectors across the land, especially so when the transportation changes are brought into the equation.

The loss of ARFAA and MFRA rates within Atlantic Canada will impact upon primary producers. We have set aside considerable adjustment moneys, \$321 million. By providing that money to the provinces there was concern expressed that the provinces may not address the needs of producers as a result of the changes in the budget.

We as MPs have a responsibility and must be involved in the process. I intend to be involved. At the very bottom line we certainly do need to have a national transportation policy in place. The loss of the feed freight assistance in Atlantic Canada could have a very negative impact on the Atlantic livestock industry if we do not provide other compensating policy initiatives to the livestock industry.

I will lay out the facts. I will not put a spin on them. I accept the facts as they are. When the feed freight assistance program in Atlantic Canada and the changes to the WGTA in the west are combined, the cost of barley in eastern Canada as compared to the west will be at approximately a \$42 per tonne disadvantage. That is the reality. I do not believe we should despair over the facts.

• (1250)

The secretary of state for agriculture and agri-food will be setting up consultations with the farm community. Adjustment moneys are in place. The secretary of state and the Department of Agriculture are certainly discussing with industry and looking at new ways of developing the competitiveness of the livestock industry in Atlantic Canada.

In the meetings with farmers I attended in eastern Canada some concern was expressed about proposed changes to Agriculture Canada, especially in the area of privatizing the economic branch. There is a firm belief with which I agree that the

minister needs a division within the department to do the economic analysis and the economic impact studies prior to policy changes being made.

I am one who firmly believes that we should be holding outlook conferences where the department has to put on record where it thinks the movement will be in agriculture over the next year and then come back and account for its prediction a year later.

By privatizing the economic branch there will be no real savings to farm out to economic consultants. In my mind it would be much more preferable to get rid of some of the paper pushers at the top, the people who do not really understand primary producers in terms of getting their hands dirty in the soil and understanding at the primary production level. We need some discussion in that area.

There is no question the minister had difficult choices to make. He will attempt to address the impact through improved safety nets, adaptation programs and new policy thrusts.

Turning to some other meetings I have had in my riding, on the Canada social transfer there were questions raised whether it would be an effective vehicle to equally deliver social programs such as post-secondary education and health care across the country. Questions were raised on what effect block transfers would have on the fight against child poverty.

I outlined to those in attendance that we had a very successful hearing on HRD and social security reform review. Many good points came out of the paper from the committee. I congratulate it on its work. The committee did good investigative work, held hearings and has come up with some sound recommendations that the government and members of Parliament can look at in terms of future initiatives in the social security area.

The debt and the deficit were discussed in great detail. The main focus of discussion with respect to the debt and the deficit was centred on the percentage of Canada's debt owed to foreign investors. I am very concerned about that area. When a few speculators basically playing computer games on the stock market floor can bring down a country in terms of its financial security, we have to look seriously at the issue. Whether it is a new Bretton Woods agreement or some other measure we have to look at it seriously. I believe the Prime Minister has put the matter on the agenda for the G-7 in Halifax.

Public service reductions were talked about at the meetings as well. Representatives from the public service expressed their anxiety with regard to what many public servants are undergoing and the demoralizing effect on the workforce. Representatives questioned why the compensation, the early retirement package, could not be offered to all public servants so the resulting vacancies could be filled by surplus workers who do not qualify for the package. We will be raising those points with the ministers responsible.

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I must speak for a moment on the WGTA. It is widely known that I have spent the better part of my life defending the so-called Crow rate. I still believe there is an obligation the railways have never met in all the discussions and changes over the years. Regardless, the change is being made which will affect western producers and communities.

• (1255)

Adjustment measures are in place, the \$300 million adjustment and the compensation for land prices. I underline the fact that the WGTA has been in effect since the turn of the century. It was the cornerstone of agricultural policy in the west.

I accept the changes but we must recognize the impact. There will be impact in areas other than financial areas such as highways, car allocations, quality control, the wheat board, et cetera. We have to listen to the producers so they can outline to us the changes they want.

These are different times. We must get our financial house in order. The real solutions will be found in the country, in the hearts and minds of the people who will be affected. We as MPs must continue to consult with constituents to find solutions.

[*Translation*]

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, when a bad decision is made, nothing could be more justified than to try to delay its implementation. That is why the dilatory motion put forth by the hon. member for Saint-Hyacinthe—Bagot is relevant and why I support it.

In the next few minutes, I will try to demonstrate how appalling the finance minister's budget is as far as the drastic cuts to official development assistance it contains are concerned. This decision without vision makes it clear why the government did not want to make any commitments in early February, when the Canadian foreign policy statement was released. Also, the excessive focus on trade in this new foreign policy is brought to light in the budget tabled on February 27.

The early 1990s signalled the end of any measure that would have enabled Canada to reach the target of 0.7 per cent of GDP for official development assistance. In the 1991 budget, aid spending on Eastern European countries and the Commonwealth of Independent States was increased at the expense of ODA.

In his 1992 economic statement, the Minister of Finance cut \$50 million in the international assistance envelope. The 1994 budget called for international assistance to be reduced by another two per cent in 1994 and 1995, but what this budget says is quite different. Ignoring this commitment to cut only 2 per cent, the Minister of Finance decided to cut 21 per cent, or \$532 million, from the development assistance budget.

In addition, the cuts announced between now and 1997-98 represent a shortfall of \$1.3 billion for our international co-operation programs. As I said, these cuts mean a 21 per cent reduction in the total development assistance budget. I would point out to this House that the cuts to the Department of National Defence represent only 14.2 per cent. Surprising for a government that acknowledged the threats to our society in the post cold war period come, in large part, from development problems.

In 1994, the development assistance budget corresponded to 0.4 per cent of Canada's GNP; in 1997, the figure will drop to less than 0.3 per cent. This will make Canada one of the least generous of the industrialized countries, because this figure will be below the average of the OECD countries.

The budget of the Export Development Corporation grew by \$155 million, whereas the budget of the voluntary sector of official development assistance will be cut by \$45 million. Where is the logic in all this? The cuts to the budgets of NGOs lucky enough to still receive support are estimated at about 15 per cent.

The Bloc Québécois' position on development assistance has always been clear, unlike the Liberals' position in their red book. It has remained consistent from the speeches by the Leader of the Opposition during the 1993 elections to debates in the House and in committee. Should I point out that the Liberals had set 0.7 per cent of the GNP as an objective for official development assistance?

We can understand, in a time of budget restraint, the government's making major cuts in the development assistance budget.

• (1300)

However, in light of the work done by the special joint committee, that assistance programs for volunteer organizations will be hardest hit by these cuts is totally unacceptable.

Last Friday, CIDA announced a 100 per cent cut in funding for NGOs working in the area of public awareness of international development among Canadians. This will take effect on April 1. The Bloc Québécois obviously objects to these measures and to the way they were announced, with only one week's advance notice. I do not understand this budget measure. The savings the cut will generate only account for 0.5 per cent of the total official development assistance budget. The consequences and the chain reaction that this measure will set off on the international solidarity and co-operation network are inestimable.

One thing we can already be sure of is that the future of close to one hundred small NGOs which are mostly located in the outlying regions, already raise 50 per cent of their funding from other sources and co-ordinate the activities of thousands of committed volunteers, is in danger.

For a few years now a world-wide consensus has been emerging that these non-governmental organizations, which do remarkable work at little cost, are very efficient. It is in this context, and despite the speeches and commitments it made in front of international forums, that the Canadian government quite unexpectedly cut the funding of close to one half of the country's NGOs and is reducing by 14 per cent the funding of the remainder.

But most of the witnesses heard during the vast consultations led by this government on Canadian foreign policy were saying the opposite. Following these consultations, the Special Joint Committee Reviewing Canada's Foreign Policy recommended in November 1994 that public participation be considered a priority for official development assistance.

After rejecting the joint committee's recommendation, the government went so far as to cut this program's funding and seems to want to perpetuate the ambiguous mandate of CIDA, which is becoming increasingly interested in promoting international trade and less interested in accomplishing its main mission: promoting sustainable human development in the poorest nations of the world. Particularly as Quebecers and Canadians are adopting a new world vision of solidarity and sharing rather than building up armed defence.

It should come as no surprise that the Canadian Council for International Co-operation and the Association québécoise des organismes de coopération internationale represent more than 100 humanitarian agencies. These NGOs depend on the generosity and dedication of thousands of volunteers who donate their time and money to help the poorest and neediest men, women and children on this planet. Development aid must help reinforce co-operation between institutions and Canadian citizens and those in the third world, and the best vehicle to achieve that is the NGOs, whose people become part of the community they are helping.

Are we to conclude that with these new budgetary measures, the government has abandoned this network of solidarity between Canadians and the people of the third world?

Canada's annual budget for National Defence is around \$10 billion; while the budget for development aid is only \$2 billion. We can assume that the defence industry is anxious to keep it that way. However, the Canadian government cannot aid and abet these questionable choices indefinitely. To maintain this kind of gap between military spending and development aid is unacceptable.

If they are not prepared to be generous, the political leaders of this country should at least realize that development aid can be profitable for industrialized countries. In Canada alone, development assistance creates 45,000 jobs, supports 2,000 businesses and provides economic spinoffs for 80 colleges and

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universities. Every dollar invested, and it is indeed an investment, directly generates \$6.42 in Canada.

[*English*]

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, I am pleased to rise and speak on Bill C-76, an act to implement certain provisions of the budget tabled in Parliament last February 27.

The finance minister has put forward a ground breaking budget that has struck a delicate balance within fiscal toughness and sensitivity to people.

• (1305)

The response from the Canadian public has been positive. In my home city of Winnipeg our largest daily newspaper, the *Free Press*, carried the headline the day after the budget: "Tough plan boosts buck, raises hopes".

A column in the February 28 edition of the *Montreal Gazette* read: "[The] budget sets the country on a new course, one in which the national role of the federal government must be rethought, renegotiated and rediscovered. It's a good start".

The *Globe and Mail* agreed: "Canadians, and those abroad who wish us well, must hope that this brave beginning—will now be sustained".

What is this brave beginning? It is the mark of a government coming to grips with a cumbersome national debt which threatens to foreclose on the futures of our children and grandchildren. It is the mark of a government committed to ensuring the needy among us from all walks of life continue to receive the assistance they need. It is the mark of a government that recognizes the need to streamline its own operations, eliminating duplication and waste while improving delivery of all services.

How will the government achieve these ends? First, it will realize \$29 billion in savings over three years: \$5 billion in 1995-96, \$10.6 billion in 1996-97 and \$13.3 billion in 1997-98. These measures are necessary to ensure that regardless of the direction financial markets take in coming years, the government will meet its target of reducing the deficit to 3 per cent of the gross domestic product by year 1997-98.

These tough measures have proven the government is serious about reducing spending and doing so only, in contrast to other parties, after an exhaustive review of government programs aimed at identifying priorities and eliminating waste and duplication.

World financial markets reacted favourably by sustaining our AAA credit rating. The importance of this rating must not be underestimated. Had it fallen, interest rates could have risen and the interest Canada would have been required to pay on its debt would have increased dramatically.

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As crucial as these deficit reduction measures were to the 1995 budget, Canadians also expected something more. They wanted to be reassured that savings would not be achieved through deep cuts in Canada's cherished social programs, particularly medicare.

Indeed, one vital component of the budget provides for improved delivery of health care and enhanced research on biotechnology as well as retaining funds necessary to ensure improvements in the Canada assistance plan and to student financial assistance.

The introduction of so-called block funding in the form of the new Canada social transfer will enable the provinces to exercise greater control over how moneys are allocated, thereby allowing them the flexibility to fund programs according to local demands for services. The delivery of social programs is the constitutional responsibility of provinces and that they will have. It is also the claim of provinces that they should have this flexibility and that they will have.

This approach will bring health care closer to communities. At the same time, the system allows the federal government to continue to uphold the five principles of medicare enshrined in the Canada Health Act: universality, accessibility, comprehensiveness, portability and public administration. The Minister of Finance said that flexibility does not mean a free-for-all.

These principles of medicare are not subject to federal-provincial negotiation. They are not negotiable, as the two levels of government implement the agreement on the Canada social transfer. Rather they are fundamental pillars of Canadian society. They are the foundation on which our health care system is constructed.

• (1310)

The government has vowed in no uncertain terms that the Canada social transfer "will not sacrifice the quality of service available to Canadians". We must remember that it is possible not only to maintain our current delivery of health care at the current level of funding but to effect improvements. In other words, we can do more with as much.

Key to this strategy is the practice of substituting equally effective lower cost treatment approaches for traditional ones. For example, we can make increased use of out-patient care, encouraging patients to see family physicians before consulting specialists and allowing non-medical health care professionals to substitute for medical doctors in defined areas of care.

The same flexibility within the new social transfer which can lead to improved health care also bodes well for the future of the Canada assistance plan or CAP. The incorporation of the CAP into the Canada social transfer provides the provinces with the freedom and flexibility they require to deliver social programs

most efficiently and effectively. Again, the goal is to do more without increasing actual government expenditures. This is an attainable goal.

I mentioned earlier that the government has shown determination to ensure a sound future for youth. This determination is exemplified by the deficit cutting initiatives that relieve our children and youth of some of the burden of the national debt but it is found in other areas in the budget as well.

The federal contribution to university and college funding will be rolled into the Canada social transfer, again guaranteeing the provinces the freedom to distribute funds according to need and using the savings achieved through avoidance of duplication.

The government's continuing commitment to fund granting councils which support the direct costs of university research and which support the Canada student loans program as well as post-secondary education for Indian and Inuit students all attest to the government's commitment to our youth.

There is much in the budget to guarantee Canada both a prosperous present and an even more prosperous future. Part and parcel of that prosperity will be the maintenance of the social programs which have served Canadians well in the past by keeping our nation competitive and our citizens protected from social catastrophe. Under this tough, yet sensitive budget, Canadians can be assured that programs will become even more responsive to their needs in the future.

The government faces a daunting task as it leaves the 20th century and enters the 21st century. If government had simply slashed spending without due regard for the underprivileged among us, it would have turned its back on principle. If it had continued to spend without due regard for the future of the nation and the future generations it would have turned its back on reality.

Instead, as has been the case so many times since it took office, the government has taken the middle ground approach and avoided extremist solutions suggested by the two parties opposite. This balance is what ultimately will enable it to succeed where other governments have failed.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, I am going to limit my remarks on the budget today to transport, which is appropriate since I am the transport critic for the Reform Party and the Reform Party being, of course, the national opposition party.

Generally transport is an area that has great potential in reducing government costs and the devolution of government services to the private sector. In this area transport is generally moving in a direction that I agree with. One item that is being changed that I particularly agree with is the privatization of air

traffic services. This is a good move, especially now that the government has more or less agreed to go to the not for profit concept, as opposed to the crown corporation concept it was initially pushing.

• (1315)

Airport devolution is a generally good idea although I have some concerns about skimming. When I speak of skimming, I am talking about when they take all the revenues from 26 national airports, put them into a group and apply them for the most part to their general funding. At the same time they dump on to various provinces and regions all the costs of the subsidies to smaller airports. In most cases they are much less than the revenues the government is realizing from national airports.

One big area in the recent budget is the WGTA, the grain transportation subsidies. I have always supported the concept that they could be reduced and ultimately eliminated, with the caveat that the government must deal with many items that cost producers money. These are items that do not produce revenue for the government but take money out of the pockets of producers. I speak specifically of things like rail car allocation and labour disruption.

In a document the Minister of Transport put out coinciding with the budget he explained and recognized a problem with rail car allocation. He said it was something they would look into but that they would not do anything with at this time. It cost Canadian grain producers a tremendous amount of money. It is not a cost factor for the government but it should have been dealt with in conjunction with the reduction and elimination of the WGTA.

Likewise we have labour disruptions; the shutting down of ports, particularly the port of Vancouver; and rail strikes. We had a strike in the port of Vancouver last year. The government legislated the people back to work but did nothing to deal with future problems.

We had another one this year. Again the government legislated the people back to work but did nothing about a long term solution. Immediately on the heels of the Vancouver strike this year we had a national rail strike. Again the government legislated people back to work but did nothing about a long term solution.

These are matters that cost Canadian taxpayers and citizens money but do not provide any revenues for the government. These are matters the government should not be ignoring, which has unfortunately been its method of dealing with them.

I turn to the subject of Pearson airport. It will be a great surprise to many people that I would talk about it. Pearson airport has major ramifications on this year's budget. A bit of misleading information is coming out with regard to it and to the budget.

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The government is currently looking at putting in a new runway, at a cost of something in the vicinity of \$150 million. On top of the cost of the runway a possible lawsuit is in the works by the council on concerned citizens. It is concerned because building the runway is in direct contradiction to the findings of the Environmental Assessment Review Panel. It is entering into a lawsuit and the government will have the cost of dealing with the action, over and above the cost of the runway if it is built. In addition we have the development contract regarding terminals 1 and 2 at Pearson airport.

At minimum it will cost about half a billion dollars in combination of cancellation costs and court costs dealing with the cancellation. Even after it is all over with we still have to rebuild terminals 1 and 2, which two years ago was to cost the private consortium \$750 million. We can be assured that if the government built it at the same time it would cost more and now we are talking two years later. We are talking of a minimum in the vicinity of \$1 billion for that aspect. In total we are talking about an expenditure at Pearson of some \$2 billion. It is interesting that none of that money is in the budget.

Let us talk in terms of the Liberal budget. Is it good? Is it bad? Does it do enough? We have to consider what it said and what it should be saying. This covers a couple of items in the transport portfolio alone. If the same type of misleading information applies with all other departments in government, what other surprises lie ahead of us? We have not seen the full picture. Unfortunately Canadian taxpayers will not get the rest of the facts until it is too late.

• (1320)

The budget does not explain the true situation in Canada. It does not deal with the true problem in Canada. As a result there will be further problems ahead that have not been spoken as yet.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I rise to speak on second reading of Bill C-76, an act to implement certain provisions of the budget tabled on February 27, 1995. For my constituents the bill should be known as an act to kill the Crow or an act of unfairness to the prairie economy.

Bill C-76 is the legislation that will allow for the payment of compensation to the owners of farmland in the absence of the Crow benefit. I quote National Farmers Union President Nettie Wiebe:

The federal budget delivers a double hit to Canadian farmers. They are increasing farmers' costs by cutting transportation subsidies and then hitting us with fewer funds for farm safety nets, less money for dairy subsidies and reducing the budget overall.

I will direct my remarks to two points. First, I will look at the principle of withdrawing federal support from grain transportation. Second, I will address the specifics of the payment of the \$1.6 billion outlined in the legislation before us.

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I have said previously in questions in the Chamber, in comments to other speakers and in response to inquiries from the media that the elimination of the federal financial commitment to the transport of grain destined for export is the single most devastating element in a very difficult budget.

On February 27 the federal finance minister announced the elimination of the transport support program which, just two years ago, was providing \$720 million a year. The grain on the prairies is grown on land that is farther from port than in any other export oriented grain growing country in the world.

I have been consulting with farmers and community leaders in areas supported by the farm economy. During the consultations we took out our pencils and calculators and looked at the implications of the elimination of the Crow benefit in real, personal and community terms. The only word to describe the implications of the federal government measure was devastating, the word I used earlier.

In the province of Saskatchewan the loss of the Crow benefit will mean that delivery costs from virtually every delivery point in the province will increase by about \$1 million a year. Producers who deliver grain to local elevators will have additional freight costs deducted at the elevators equalling collectively about \$1 million a year. With reduced incomes of some significance there is a net community loss that is unlikely to be made up elsewhere.

That is the point the federal government failed to address in the budget. The withdrawal of federal support will have an immediate effect on countless communities, most of which will have neither the resources nor the ability to make up the lost funds.

In spite of my questions and the questions of others, the federal government has not produced a single page of study, evaluation or analysis to indicate or prove the contention of the finance minister that the elimination of the financial support will lead to greater crop diversification or enhanced value added production capacity in these communities.

I draw attention to the speech yesterday of the Parliamentary Secretary to the Minister of Finance who talked in glowing terms about the elimination of the subsidy encouraging the development of value added processing and the production of higher value goods. He said that the elimination would result in a more efficient grain handling and transportation system. He said that the elimination of the Crow benefit would help maintain our market access for grain sales in foreign countries.

No evidence has ever been produced to prove these contentions. What is there? What analysis has been made to substantiate these claims? Absolutely none. Not one shred of evidence has been produced to give us any confidence that the investment to replace the lost income from increased freight costs will magically materialize. Every delivery point in Saskatchewan

must find \$1 million a year in new revenues just to remain where they are today. How many more peas can we grow? How many more pigs or cows can we produce? How many new flour mills, ethanol plants or breakfast cereal plants can we build by this time next year to replace the \$1 million per community that is being taken out of our province by this single move in the budget?

• (1325)

There are a lot of unanswered questions which deal with the future of my province and even the uncertain future of the Canadian Wheat Board that are not being answered. Yet the government is proceeding with great abandon to ensure that the Crow benefit is gone before the end of the crop year. It is sheer madness.

On virtually every other issue the Liberals talk about their election promises, the red book promises, the guide to direct them in policy matters, but nowhere in the red book do we see a promise to get rid of the Crow benefit and bankrupt agricultural communities with such swiftness. I quote the red book: "Our goal is reducing input costs to make farming more valuable". What have the Liberals done? They have increased costs, not reduced them as promised in the red book.

I have asked the Minister of Agriculture and Agri-food and the Minister of Finance to postpone any actions on the elimination of their commitment and responsibility to the west until the long term implications are well known, thoroughly reviewed, and mitigating measures are outlined and debated. It is absolutely crucial that we look at what the long term implications will be before the decisions are taken in the Chamber by the members who are sitting here today.

In the legislation before us the government is barrelling ahead with the decision to kill the Crow without knowing what it will mean to those most affected. The legislation gives the government the authority to make a transition payment to the owners of farmland in western Canada in lieu of the Crow benefit. Once the legislation is passed and the process of making the payments is in place, it will be very hard, indeed it will be impossible to go back and assess how bad the damage will be. We have to defeat the legislation if we are to make the proper assessments.

At the same time it is important to look at the specifics of Bill C-76. There are three main problems with which I would like to deal: the principle of the idea, the payout, and the process of regulations. In principle the idea of providing \$1.6 billion in a payout is wrong. First, as I said, it should not be done. Second, if the government insists on making the payout obviously it is very inadequate.

Every member of the Chamber is aware that the Crow deal was originally a condition of building the railway in return for being given a lot of land on which they have made a lot of money over the years. In return for the government building the railway itself, the railway companies promised to ship grain from the

prairies to the port. It was a very simple condition. It can almost be called a condition of Confederation for western Canada.

Many farmers are very upset the government came along and out of the blue announced the deal was no longer in effect. The farmers have to pay once again for a service that was paid for long ago, and the railways once again get off scot free. In principle that is grossly unfair.

The \$1.6 billion is an arbitrary figure that means virtually nothing. "Where did the government get this figure from", farmers ask. The prairie pools have made their calculations. They said if the Crow benefit were to be eliminated and replaced with a fair payout to farmers the bill should be providing authority to pay \$7 billion rather than the inadequate \$1.6 billion which will do very little to compensate the landowner or the shipper, no matter how we look at it.

Another problem with this section of the legislation is the fact that it proposes to pay the \$1.6 billion to landowners rather than to producers. It seems the Liberals think that compensating for the loss of land value, which they acknowledge will result from the loss of the Crow benefit, is more important than compensating farmers for the additional costs associated with increased freight rates. Paying money to landowners means that about 40 per cent of the payout destined for Saskatchewan will go to the banks and other financial institutions such as the Farm Credit Corporation.

Although the Liberals say that these institutions should pass along the payout to those who lease land from them, there is no guarantee, no certainty that anything will get passed on. At the same time the legislation makes the payout to landowners including the banks tax free; but money that finds its way to farmers who lease their land, if the money gets to them, becomes taxable. Obviously this means that the Liberals seem to have much more sympathy for the poor banks than they do for the poor farmers.

Third and last in this section, the legislation before us leaves virtually all the details about how this is going to be handled to the regulations. All the questions about who qualifies, what kind of land will be paid for, when the cheques will be written and mailed and so on will be decided in the minister's office. The specifics will be settled in the regulations. The decisions are left to the bureaucracy and there is virtually no public input through this Chamber and members of Parliament.

In conclusion, there is much wrong with this idea. This legislation should not be supported by the members of this House.

I once again appeal to the Minister of Agriculture and Agri-Food. I ask that all this stuff relating to the elimination of

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the Crow benefit be put off until such time as a complete evaluation of the consequences has been written and reviewed. We cannot afford to abandon the farm economy and the communities that depend on that economy.

[*Translation*]

The Acting Speaker (Mr. Kilger): It being 1.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

HATE PROPAGANDA

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.) moved:

That, in the opinion of this House, the government should move with speed to adopt legislative measures aimed at stopping the spread of hate propaganda via the electronic information highway while simultaneously preserving legitimate use of the freedom of speech and expression.

He said: Mr. Speaker, the motion before us appeals to our core Canadian values: respect for dignity, respect for self-worth, and respect for the equality of all individuals. These values are pillars of Canadian society. They are the glue that holds the Canadian mosaic together. They are tools of harmony. We are therefore fiercely proud of these values. They are the foundation of this private member's motion.

The motion raises two fundamental questions: What is the interrelationship between the information highway and the freedom of speech and expression? How can we as a people protect our core societal values without impinging on the core area of the freedom of expression? Before I address these questions Mr. Speaker, permit me to give an overview of the information technology revolution and what it means for Canadians and Canada in the world.

Indeed, we as peoples of the earth have entered the information age. Information technology has reached a level of progress which now gives people the ability to communicate with others around the world via a network of computer systems popularly known as the information highway or superhighway. Although the phrase comprises many aspects, the computer network most nearly synonymous with it is the Internet.

The Internet revolution started in the 1960s when the U.S. defence department linked its various sites. By the late 1970s this had expanded to universities around the globe. The real turning point came within the last couple of years with the introduction of the World Wide Web. Now the Internet encompasses more than 30,000 networks and 2.5 million computers. There are as many as 35 million users in more than 100 countries. Today one needs only a personal computer, a modem

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and a telephone line to gain access to this amazing new information highway.

Three basic services are available: electronic or e-mail, news groups also known as bulletin boards, and files. With these services anyone in the world can send a message at minimal cost, post and look for messages on almost an infinite range of topics and can also pick up information in the form of files which contain text, images, data, and even sounds. Indeed, Internet puts an incredible wealth of information at one's fingertips.

● (1335)

It is a source of pride for Canada that some of its corporate citizens such as Northern Telecom, Unitel, Stentor, Videotron, Rogers Communications and Bell Canada, have played continuing leadership roles in the advent and growth of the critical technologies, chief of which are digital communication, wireless communication and fibre optic transmission. Canada stands to gain from these technologies which have the power to narrow the physical distances of our natural vast geography.

The new technologies are utterly revolutionizing the way Canadians work, learn and interact with one another. It is in recognition of this reality and of the benefits that can ensue from it that the Canadian Network for the Advancement of Research, Industry and Education, also known as CANARIE, a seven-year \$1.2 billion project, was launched by the government in 1993.

The project aims to develop the communications infrastructure that will enhance Canadian competitiveness in all economic sectors and thereby result in job creation and quality of life for all. A nationwide high speed telecommunications backbone is essential to making Canada's competitiveness in the world economy that much more secure. Economic prosperity means jobs for people which can only enhance self-reliance in our citizens and our country and strengthen our national identity.

Let me now address the two questions raised by my motion. What is the interrelationship between the information highway and the freedom of speech and expression? How can we as a people protect our core societal values without impinging on the core area of freedom of expression?

As with any tool of economic prosperity, the information highway presents new social challenges. One such challenge is to ensure that the information highway does not become a highway of hate, does not become a vehicle of harm.

The *Globe and Mail* recently reported that notorious Holocaust skeptic Ernst Zundel plans to spread his vicious campaign of lies and deceit via the Internet. Neo-Nazis worldwide are already using the Internet to spread their racist ideology. More

recent examples of postings on the bulletin boards were threatening messages from the Ku Klux Klan. One has only to look at news groups such as alt.skinheads, alt.politics.nationalist.white, or alt.politics.white-power to see the continuing and increasing presence of such hateful electronic words.

Persistence of hate messages on the Internet certainly should invite the attention of government to move in and regulate. The ability to reach a wide audience via the Internet without regulation has resulted in the proliferation of speech which many Canadians find hurtful and which, if published or broadcast through traditional media, would likely have attracted prosecution.

Let me reiterate my motion:

That, in the opinion of this House, the government should move with speed to adopt legislative measures aimed at stopping the spread of hate propaganda via the electronic information highway while simultaneously preserving legitimate use of freedom of speech and expression.

My motion calls on this House of Commons to exercise its will and urges the government to act and to act now. I trust all colleagues in the House will endorse this motion. My faith lies in my belief that no one member of Parliament would oppose halting the spread of hate propaganda, that no one member of Parliament would insist that there cannot be limits to freedom of expression. I submit that nothing, not even freedom, is absolute.

First, what constitutes hate in our judicial system? The Supreme Court of Canada defines hate as:

—an emotion of an intense and extreme nature that is clearly associated with vilification and detestation. It is an emotion that, if exercised against any section of the public distinguished by religion, colour, race or ethnic origin, implies that those individuals are to be despised, scorned, denied respect and made subject to ill treatment on the basis of group affiliation.

● (1340)

The spread of hateful propaganda is now covered under section 319 of the Criminal Code. The code identifies two ways by which offences can occur. One is by incitement, that is, by communicating in a public place words likely to lead to a breach of the peace. The other is by wilfully promoting hatred against an identifiable group through the communication of statements other than in private conversation.

It therefore appears to me that section 319 of the Criminal Code could be applied to prohibit the kind of high tech hate propaganda this motion seeks to eliminate.

Certainly accessing the Internet involves communicating by telephone or visible means via the computer which is essential to the definition of communicating in the code. Certainly also the Internet could be considered a public place because it is a place to which the public has access, if not by right at least by invitation expressed or implied since one could buy in via a

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service provider. Certainly also the messages on the Internet constitute statements since the code's definition of statements includes "words recorded electronically".

At this juncture, may I note in this House that I do not know of any criminal prosecution in Canada, despite repeated postings of hate messages on the Internet. Neither has there been any prosecution under section 13 of the Canadian Human Rights Act where case law has documented the applicability to this issue.

Why has there not been any prosecution of the electronic posters of this century? Is the difficulty related to the determination of exactly who may be held liable: the network, the operator, or the author of the hateful message? Is the difficulty related to tracing the exact authorship or the point of origin of the message? Is the difficulty related to authors being beyond the jurisdiction of Canada? Is the difficulty due to lack of interest on the part of local police and provincial attorneys general? Or does the difficulty reflect the complexity of day to day and moment to moment monitoring of the Internet?

Be that as it may, the Canadian public wants to know. I acknowledge that the Information Highway Advisory Council established by the federal government last year has identified a regulatory role for the government to play. I quote: "It supports the principle that freedom of expression be preserved on the information highway consistent with Canadian law". I underscore the phrase consistent with Canadian law.

This private member's motion is therefore consistent with that recommendation of the council. The council has further identified that it is in the midst of reviewing the capacity of existing laws to address this situation. I will certainly defer to the observation of the council on this particular point, acknowledging that I am not a member of the legal provision.

I submit that if current hate laws do apply, we need to implement them. If current hate laws cannot apply, we need new measures. What then do I mean by "adapt legislative measures" in my motion? I have used this term in a generic sense. It implies passing new measures on the assumption that current hate laws, for whatever subtleties of legal interpretation, may not be fully capable of coping with the issue before us.

I envision that new measures could include a variety of approaches. I will mention a few.

Parliament, for example, could legislate a national code of ethics or conduct to govern Internet service providers. This could include a mandate for the creation of a complaint body that would enforce the code through a predetermined process for resolution.

• (1345)

Parliament could set aside a modest budgetary item to launch a public education campaign to inform and advise Internet users and service providers as well as parents, school children, teachers and the public at large about proper use of the information highway, about the privilege it offers and the responsibilities we must bear.

The government, through Parliament, could also consider setting aside funds to help facilitate the development of technologies such as adaptive software filters, which homes and families could use to prevent hate messages from being seen.

To address the issue of source beyond our borders, Canada must ensure the obligations under international covenants and agreements against hate propaganda are met and that other signatory states are equally reminded of their obligations. If need be a new global treaty could be drafted, as has been advanced as an idea by the Solicitor General as one possible approach to address the issue. There could be other approaches. We must explore them.

At this point I would like to return to the part of the motion that deals with freedom of expression. The Supreme Court of Canada ruling on two recent cases has identified the purpose of this essential guarantee, namely: "to permit free expression to the end of promoting truth, political or social participation and self-fulfilment".

Mr. Justice John Sopinka of the Supreme Court of Canada, speaking November 1994 at the symposium on free speech and privacy in the information age said: "These values lie at the core of the freedom of expression". It is in this spirit that both section 319 of the Criminal Code and section 13 of the Canadian Human Rights Act have been ruled constitutional by the Supreme Court of Canada.

The court has deemed that these legal provisions constitute a reasonable limit on the freedom of speech and expression since the freedom is only minimally impaired when weighed against the sufficient importance of the legislative objectives, namely, to respect the dignity, self-worth and equality of all individuals.

The government must act quickly. Technology is advancing at a rapid pace but we know that the task we face is a daunting one. We must also acknowledge that the problem is not unique to Canada, nor is the search for a solution.

The United States Congress is also now in search of one. It has before it the communications decency act of 1995, which would impose a \$100,000 fine on anyone who uses computers to "annoy, abuse, threaten or harass".

The Canadian Information Highway Advisory Council, in its recent report, describes Canada's goal for the information highway this way: "The vision is to establish a network of

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communities around the globe in the fullest pursuit of individual expression, creativity, learning opportunities and entrepreneurship. Its essence is to provide a medium for us to achieve our goals as individuals and as a nation”.

These are noble goals. The mission can only be accomplished if all Canadians are made to feel welcome in cyberspace. It can only be accomplished if hate and intolerance are not part of the emerging language of the information highway.

I urge all members to take the opportunity to speak out for the sake of our common future. Whether the information highway is to become a highway of hate or a highway of harmony rests in our hands.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, Motion M-384 put forward by the hon. member for Winnipeg North brings to our attention one of the concerns which modern technology arouses among the population.

Allow me to read this motion for the benefit of those who are listening to us:

That, in the opinion of this House, the government should move with speed to adopt legislative measures aimed at stopping the spread of hate propaganda via the electronic Information Highway while simultaneously preserving legitimate use of the freedom of speech and expression.

• (1350)

Before moving on to the substance of this motion, I would like to take a few moments to explain simply and succinctly to this House and the public what is this information highway which has been the subject of increasing media coverage lately.

I will address not only the problem presented by Motion M-384 but also several related problems. Finally, I will share with you the results of my research on this subject and my conclusions. If I go beyond the 10 minutes allocated to me, I will then ask for the indulgence of the House in allowing me to conclude my remarks.

As everyone knows, the information highway is essentially a figure of speech designed to help us understand a reality. Let us take a look at it.

What this is is a system comprised of various means of electronic communication, such as telephone lines, television cable, optic fibres, radio and television antennas and towers, cellular phones and waves transmitted by satellite.

All these technical means of communication are in common use today. They are the channels through which information travels in various forms: telephone for voice, television for images, fax for documents.

These channels are very useful but also very slow. Indeed, when large amounts of information need to be transmitted at once, electronic channels get clogged up or jammed. That is why

major communications companies are putting into place more powerful systems so that large volumes of information can be transmitted.

A single optic fibre can transmit as much information as thousands of telephone lines. Two satellites in orbit above the United States presently handle 200 television channels at a time. These new channels are called highways because they are larger and more powerful than traditional channels.

Let me say a few words about the major Canadian companies involved in the development of these electronic highways. Bell and other telephone companies are grouped under the name Stentor. There is also the Unitel group and the Sprint group. Cable operators are also represented. Vidéotron and Rogers for instance are very much involved in the process. Two groups, PowerDirectTv and ExpressVu, want to broadcast television programming directly via satellite. These are the expressways of the future.

On the slower routes available today, there is a global network that already provides convenient information transmission through the telephone system. I am referring to Internet. The transmission of documents, images, voice, music, films—in fact, any form of communication is possible on this network.

This network works like a telephone system. You can dial the number of your correspondent and write or even speak to him; you can have a conference with several correspondents; you can leave messages with an automatic answering machine, a kind of 900 number, and the public can read these messages by dialling the 900 number. The numbers are referred to as addresses, and the services that provide access to these messages are called Mosaic and Netscape.

This network has an additional feature. You can leave information on a bulletin board, or take part in a discussion group. This is a kind of 900 number where everyone can enter information and read information entered by others.

We are now ready to deal with the substance of motion M-384. The problem referred to in the motion is that some Internet users leave hate literature in discussion groups, on bulletin boards or in any of the documents accessible through Netscape or Mosaic.

• (1355)

Although the hon. member for Winnipeg North does not refer to this in his motion, there are other problems such as obscene literature, photographs and films. Hate literature and pornography are not that widespread and are in fact a rarity on Internet.

There are other problems we must consider as well, because they are more widespread and have a greater impact, not only on Internet but also for instance, on DirecTv, and I am referring to the satellites that send us television signals from space.

What we are talking about here are crossborder sales of goods and services in contravention of the law, tax laws among others, through which capital is illegally siphoned off to foreign countries. We are also talking about the violation of copyright, through which a lot of capital is drained from Canada to foreign countries.

We should also stress the fact that Canada's Internet network is funded by the public through grants to universities, for example. This means that the whole population is paying for a service that is only really available to a very select few. Currently, this network is contributing to the emergence of two classes of citizens, those with access to information and those without. I am not saying that there are no solutions to these problems, I am sure that one will be found, I am just saying that these problems exist.

Let us return now to Motion M-384 which I have researched thoroughly. First, I sent the following message to several discussion groups on Internet: I would like to have your comments on the government's motion regarding the information highway, soon to be debated in the House of Commons. This was followed by the text of the motion.

Allow me to read extracts from three of the many responses I received.

So, from the Computer Science University of Manitoba:

[English]

"The answer to this one is in my mind very clear and simple, don't".

From Industry Canada, probably, an employee said: "If the wording of the proposed legislation said 'forbidding the spread' rather than stopping the spread, then the full force of the law could be brought down on anyone who used the info highway to spread hate propaganda, with that the notion implying that some technical mechanism is needed is probably undoable anyway".

Finally, a lawyer answered: "What precisely does this motion intend to accomplish and why is it necessary? There is already a section in the Criminal Code which applies to the publication of hate propaganda. As I read this legislation, it is capable of applying to information distributed on the information highway as well as to any other medium of communications".

[Translation]

Mr. Speaker, from these few reactions, it appears that the "internauts"—and that is how they are called—are in tune with our present discussions. As an "internaut" myself, I am happy to say that "internauts" do not hesitate to put those distributing hate literature in their place. Thus, the Freenet message from Columbus, Ohio, offering subscriptions to a magazine intended for, and I quote, "all the whites in the world" received two

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responses. They are both in English, and I will probably elicit a few beeps in reading them.

[English]

"Get your racist [bell] out of the Internet and yes I am white". Another message: "Get the [bell] out of Canada. Take the racist Canadians with you to your garbage-infested world. I too am white".

[Translation]

What I want to say is that, thanks to these electronic means, people who see the system is being abused literally flood the abuser to the point of blocking his system.

I also did some research in the Criminal Code. Section 163 concerns obscenity. It provides that anyone who produces, prints, publishes, distributes, circulates, sells, exposes to public view or possesses any writing, picture, model, record or other obscene item is committing an offence. Section 163.1 refers to mechanical or electronic means.

In terms of hate propaganda, section 318 of the Criminal Code provides that anyone making a statement in a public place inciting hatred is committing an offence. Furthermore, the Criminal Code defines "communication" as words spoken, written or recorded by electronic or electromagnetic means.

• (1400)

Yes, Mr. Speaker?

[English]

The Acting Speaker (Mr. Kilger): I was listening attentively to the hon. member's remarks at the beginning of his intervention when he expressed the desire to go beyond the ten-minute maximum.

[Translation]

It is nevertheless my duty to intervene since the ten minutes are up. Is there agreement in the House to allow the hon. member to conclude his remarks?

An hon. member: For how long?

Mr. de Savoye: Two or three minutes at most.

The Acting Speaker (Mr. Kilger): Is the hon. member allowed to go on for two or three minutes?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): The hon. member for Portneuf may continue.

Mr. de Savoye: Thank you, Mr. Speaker. With respect to hate propaganda, section 318 of the Criminal Code indicates that anyone who, by communicating statements in any public place, incites hatred is guilty of an offence. The Code defines "statements" as words spoken or written or recorded and "public place" as any place to which the public have access as of right or by invitation, express or implied.

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As can be seen, what makes a statement characterized by hate or obscenity criminal is the fact that it affects the public. What goes on between two individuals or in a private group of individuals concerns them alone. But as soon as a statement becomes accessible to anyone at all, it is deemed to be in a public place.

Understandably the law must be implemented fairly and consistently. Thus, if the law prohibits certain actions, persons committing those actions should be dealt with in the same manner, whether the actions were committed in a business, in the street or on a telecommunications network. But we must not confuse the messenger with the message, with the initiator of the message, and think that the networks are responsible for what they carry, any more than we should hold the telephone companies or Canada Post responsible for the nature of the calls or mail they transmit.

Is it possible to identify where these documents originate? Not only is it possible, but it is quite easy, because each document is preceded by the destination address and the originating address. Of course, some organizations offer the possibility of anonymity. But in the case where a criminal act has been committed, they can reveal the sender's address.

Therefore, in Canada we are able to deal with these concerns. The problem is that most of these statements come from abroad. I did some research and it appears that Canada signed several international treaties dealing with hate propaganda: the Convention on the Prevention and Punishment of the Crime of Genocide; the International Covenant on Civil and Political Rights; and the International Convention on the Elimination of all Forms of Racial Discrimination.

Consequently, Canada should make arrangements with the other signatories to ensure that each of these countries will, at the request of another signatory, deal with the source of hate propaganda, obscene items, or with the sale of goods or services, on its own territory, which contravene its laws or the laws of the country making the request.

Although the motion tabled by the hon. member for Winnipeg North deals only refers to these issues indirectly, I understand that its object is to ensure that the law is applied consistently and that it is not more or less stringent when electronic means are used. This is why I will support motion M-384.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I congratulate my hon. colleague for Winnipeg North for the intent and thrust of the bill.

The introduction of a private member's bill in the House is the start of a long and torturous journey before the motion may become law and it may be amended before it gets there. What we are talking about today is the general intent of what we should be striving to achieve, for the kind of society which we want, what

we find decent in our society and what we intuitively recognize and know as wrong and indecent.

Earlier we had a very difficult circumstance to wrestle with, the infamous killer cards. About this time last year we were being inundated with petitions from outraged Canadians from coast to coast asking why we allow this kind of trash to be distributed in Canada. There has not been one word spoken about it in recent times because Canadians, by and large, are pretty decent people. We recognize something which has no value. If it has no value it will not be supported and the normal market forces will cause the demise of whatever should not be around. That is exactly what happened with killer cards. They have fallen from the national agenda.

• (1405)

The point is just because that happened does not give us the freedom to say it is a perfect world and we do not have to worry about people who would spread hate and spread propaganda and sow the seeds of dissension and hurt in our society.

That is what this bill is all about. That is the intention. It is the general intention we support.

I do not believe it is possible to legislate morality. I do not think it is possible to legislate good taste. I do not think it is possible to write legislation that will keep hate propaganda or distasteful things we do not like to see off the information highway.

We should make our general intent very clearly understood so when the courts are adjudicating on a particular issue they know full well where Parliament stands representing the citizens of Canada.

We should stand shoulder to shoulder against the pernicious spread of hate propaganda and things that would hurt our society. We also have to stand shoulder to shoulder in protecting freedom of speech. Here we have these two conflicting ideals. How do we go about rationalizing and resolving these two conflicting ideas?

We have to use the whole notion of responsibility. We have to ensure anyone can get on to the information highway. We cannot prevent it in any event and so why bother trying? The information highway has grown from a year ago of 25,000 networks to 70,000 networks. The growth is exponential.

We should think of the information highway as the world's largest library with no librarian and no index. To try to put a handle on it will not work.

We should be working toward ensuring that when our courts have to make a decision based on the freedom of access to Internet that it comes back to personal responsibility. We have to ensure that everyone who gets on to the information highway recognizes they will be held accountable and responsible for what they do, just as it is done in our daily lives today.

All of us have and enjoy freedom of speech. It is part of our culture. It is us. We also recognize that with freedom comes responsibility. We have the responsibility to use that freedom responsibly. That means I cannot go into a crowded movie theatre and yell "fire". I cannot do that with impunity.

I can go outside and yell "fire" and people would think I am a nut. If I did the same thing in a crowded movie theatre where my actions put other people at risk I would be considered a criminal.

That is the distinction and the whole notion of personal responsibility. That is why it is so important this debate take place and that the intention of Parliament is very clear to the Supreme Court. The Supreme Court at least in recent years needs some clear direction.

I do not think our Supreme Court gets up every morning wondering how to best represent the people of Canada. In my opinion in recent years the Supreme Court has been getting up in the morning wondering how to push the limits of tolerance of ordinary citizens to the expansion of these charter ideals until it drives everybody crazy.

This debate is of extreme importance. It should not be taken lightly. We are not, at least I think I speak for most people in the House, in any way constricting the right of freedom of speech. We are sending a very clear message that one had better be prepared to accept responsibility for what one does.

Earlier my hon. colleague and friend from Portneuf mentioned that the Internet is by and large self-policing. Those who have used Internet will notice if anybody does or says something outrageous on Internet it does not take very long before they are overwhelmed by a response from other people on the Internet saying it is not right.

• (1410)

I do not think we should dismiss the potential and strength of self-policing. For instance, when people in a bar having a beer together are spreading these ideas and reinforcing each other's ideas it is very different than putting an idea across the Internet and being responded to by an avalanche of people saying: "You're crazy, you're wrong", just as my hon. colleague from Portneuf mentioned.

We need to put this into perspective as well. There have been some particularly good articles written about smut on Internet. An article which appeared in the *Globe and Mail* recently made the suggestion that everybody who was on Internet was an oversexed teenager. That is not the way it is.

That certainly is part of life but I defy anybody to go to a corner store and buy a quart of milk without passing a magazine rack. We do have choices in our lives and we have to make them. We can either stop and buy a smut magazine or we can pass them by. It is a personal choice and a personal responsibility.

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Using the same analogy, these magazines are now, as a result of pornography laws in Canada, not displayed where kids can get at them. They are displayed high up and many of them are covered. What do we do in a situation in which we have the expansion of the information highway through which young people are far more familiar with the mechanics of it than we are?

This poses a fairly difficult problem. How do we go about keeping our children from scanning some of these very offensive things like Deathnet and others and still keep this freedom of information and freedom of speech alive? It is kind of like a lockout. Parents have to take responsibility for their children. It goes back to personal responsibility.

I think of the people in Edmonton waging this lonely but very valid and important war. Their son committed suicide and their concern is that his suicide was as a result of depression which was enhanced because of his addiction to listening to CDs of Nirvana and death music and that sort of thing.

It is part of our society and it is incumbent on us as members of Parliament to do what we can to get at root causes of problems and try to make the extra effort so that we keep our society the kind of society it is by and large today, the kind in which we want our children and our families to grow up.

Again I congratulate the hon. member for Winnipeg North for bringing this to the House. It will be a difficult and torturous journey but it is certainly worth it.

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, I rise in support of the motion put forward by my colleague from Winnipeg North.

The idea of the propagation of hatred, regardless of whether it is through the computerized bulletin boards and the Internet, is morally repugnant and has been acknowledged as such in Canadian law.

Under the Criminal Code of Canada anyone who by communicating statements other than in private conversation willfully promotes hatred against any identifiable group is guilty of an indictable offence and liable to imprisonment for up to two years. It is also a violation of the Canadian Human Rights Act.

It is the government's responsibility to ensure public spaces, whether cyberspace or not, are free from incitements of hatred against any particular group in society. We must be vigilant. It is not enough to be against racism, we must also be willing to fight it.

We cannot fall into the trap of only fighting when it is simple, easy and clear. Sometimes it is not easy. Questions of freedom of speech and freedom of academic expression enter the debate but we cannot hedge because we find the issues difficult. We must bring tolerance and societal rejection of racism to bear entirely in that debate.

Private Members' Business

• (1415)

I quote from the Canadian Bar Association, 1984: "Canada has never recognized the concept of unlimited freedom of expression. In order to prevent harm to others, Canadian legislators have imposed a number of reasonable limits on freedom of expression".

Laws in Canadian society which limit the ability of individuals to communicate hate are based both on international standards and on the specific character of Canadian society. Canada has signed two international conventions which require us as citizens of the world to prevent the spread of hate propaganda.

The Convention on the Prevention and Punishment of the Crime of Genocide was ratified by Canada in 1947 and reinforced by article 20 of the United Nations International Covenant on Civil and Political Rights, which Canada ratified in 1976.

Further it should be noted that the Canadian Charter of Rights and Freedoms does not necessarily guarantee an unlimited right to free speech. Section 27 of the charter states: "This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canada". Thus, one may argue that hate propaganda has no place in the political discussion of a multicultural society.

The information highway is currently being used by over 40 million people. It can be an instrument of good or an instrument of evil. For example, information can instantly be shared between a university library in Germany with an online university in New Brunswick. It compresses time and distance like no other technology yet developed.

It creates a truly global village in which we can all profit from the gains in knowledge in countries halfway around the world, simply with the click of a button. On Parliament Hill and in federal departments, this technology is being introduced and used.

Since the government is actively promoting the use of the technology, we have a responsibility to guard its innocence because it is not only a tool used for good, but also for evil. Organizations such as the Ku Klux Klan and Holocaust deniers have news groups that propagate their messages of hate and intolerance toward minorities over the Internet. These messages are fully accessible to the public.

I have read some of these messages and they are filled with racial slurs and disgusting language. Not only are they using the Internet as a conduit for their messages of intolerance, but I am advised pro-Nazi groups have recruitment programs in which they go to schools and encourage young people to embrace their ideologies.

These postings on the Internet can easily be found by children, who many would agree, and as my colleague has men-

tioned, are among the most knowledgeable about this technology. Many use the info highway in schools and have greater understanding of it than their parents.

The child can easily be one step ahead of the adult, leaving the parent powerless in monitoring the child's activities and open to these postings. These messages have a powerful impact on young minds. Herein lies the difficulty of parental control and why it is important for the government to be engaged in this exercise and to enact legislation that would actively prohibit this kind of message from being sent in the first place.

Because of the complexity of this problem, it is important for the government to establish a centre of responsibility to deal not only with this question, but with questions of trade, copyright issues and education, either by establishing a minister for this technology or designating responsibility to an existing department, or beyond that, it should be done by the Minister of Industry.

We could follow the model of New Brunswick, where there is already a secretary of state responsible for the information highway. There has been considerable debate in my own constituency of Fredericton—York—Sunbury around the propagation of hatred on the Internet. It is my intention to strike a committee that would make recommendations through me both to the Minister of Industry and his advisory committee and to Parliament on how some of these issues should be tackled. It is a new problem and there is a need for broad input.

However, there must be a balance. We cannot let our efforts here lead to incidents of excessive restrictions on speech. It is an important right that cannot be ignored. There are laws against the enticement of hatred against certain groups and they also must be upheld, improved and their values applied to new realities.

As a government we must promote the truth. We must also be aware of those who are promoting another agenda. It is my personal belief that within all of us is the instinct for tolerance, fairness and compassion. It is only out of fear, misinformation and insecurity that we turn to emotions that are less generous.

This is a global problem. If Canada were to adopt legislation that would screen out certain messages, there is nothing stopping someone from simply clicking to another country and signing on from there. They would have access to everything. That is why we need to work with other nations in formulating guidelines for the information superhighway. The Group of Seven meeting this summer in Halifax would be an ideal event at which to engage our fellow member countries in the discussion.

• (1420)

If we could agree on a vision for the future of this technology, it would be a great step forward. We are a fair-minded, resourceful and enlightened population and our resolve should not be diminished by the magnitude of the task. I am confident that a solution will be found which will ensure that everyone, regard-

less of ethnicity or lifestyle choice, will be able to use the electronic highway free from fear of harassment and verbal abuse.

I am pleased to second the motion of the hon. member for Winnipeg North. I call on all members to say no to the propagation of hatred, regardless of the medium.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a great pleasure for me to support the bill of my friend and colleague from across the way on this very important and much ignored aspect of the late 20th century.

Freedom of speech is something which we in our country have held in the highest regard. It is a pillar of a truly democratic society and, as such, sets us apart from the restrictive, abusive and undemocratic societies that we have seen about us in the past, such as those in Nazi Germany and in China. We have seen repression where freedom of speech has not been recognized. In fact, not having freedom of speech has enabled the few to stifle the many.

However, like most rules we have in this world they are inviolable. They too are subject to perversions, but when common sense and logic are applied to them they bear no resemblance whatsoever to what was the intended rule. Freedom of speech is no different.

We live in a world today which our forefathers could not have imagined and which those individuals who constructed the aspects of freedom of speech as being a pillar of democracy could not have imagined. They could not have thought or dreamed of the challenges which we face today. As such, they could not imagine the ways in which people could use free speech as a shield or as protection to blatantly incite hatred, violence and prejudice against other individuals. They could not have imagined this because they could not have imagined something like Internet.

I will give the House some examples of what has occurred on Internet recently. In my region of Vancouver Island, in the city of Victoria, something called a deathnet has occurred. Specifically, it caters to teenagers and children. It is a program on how to commit suicide. It tells them how to do it with plastic bags, glue, knives, ropes and chemicals.

We have lauded the aspects of freedom of speech and freedom of choice. As adults we presumably have the experience and the knowledge to make informed choices. However, where this falls apart is when we are dealing with children. All of us in the House will recognize that one of the aspects of children is that they do not have the maturity, the knowledge and the experience to make informed choices. Where the Internet differs from the magazine racks in our local corner stores is that in the corner store children do not have a choice to make because the material is too high.

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They are also monitored by the individuals who work in the stores. That is not so with Internet.

Internet is basically a free-for-all. One of the sectors of our society that is the most literate in computers is youth. Many youths are more facile with computers than many individuals in the House, myself in particular.

We also have hate mongering by the KKK and other groups whose main intent has been to put forth abusive, hateful, spiteful information on the deathnet for no good cause whatsoever.

• (1425)

This cannot continue. That is why my colleague who is a physician and a very concerned person has put forward this initiative. He has experience in these matters as a pediatrician. He knows full well the dangers of allowing very impressionable children to be subjected to this type of information. As I have said before, adults are a different matter altogether. They have choice but that does not necessarily apply to children.

There are laws which apply to the wire media, the print media. There are rules and regulations which apply to hate mongering, child pornography and such. There is no logical reason that these reasonable rules cannot also be applied to the Internet. There have been concerns that no, it is not possible to do this because there are too many access points and there are too many people logged on.

This country has proven to be a world leader in so many areas. We can continue to do so by taking that leadership role on the Internet. We can show the world we are not prepared to have hate mongering within our country.

It is interesting to note that the United States Congress and Senate also have a bill relating to the proliferation of this type of information on the Internet. It is a worthwhile endeavour. Perhaps through my colleague's initiative we as a country can work with our neighbours to the south to push for this worthy cause.

Just because it is difficult does not mean to say it is impossible. A few other concerns exist on the Internet. I am sure they will rise in the course of the prolonged discussions which will come out of this initiative. They also involve personal privacy and security of information.

Many of us in this House are aware that a number of recent cases have come up of people's security and personal information which are protected under the law but violated through the Internet. Cyberspace is a free for all. Freedoms are good but when they are abused against the common good, it is intolerable and unacceptable to Canadian society.

I will close by giving my wholehearted support to my colleague for this initiative. It is worthwhile. We should not buy the argument that freedom of speech is something that is inviolable. Like all rules, it can be subject to exceptions.

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The main reason for doing this is not so much for the adults because of the freedoms we have but primarily for the children. It is impossible, no matter how hard we try, to prevent children from logging on and seeing the stuff.

For their betterment and for the betterment of Canadian society, I hope this House will take it upon itself to support the initiative of my colleague.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

It being 2.30 p.m., this House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 24.

(The House adjourned at 2.30 p.m.)

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