



CANADA

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OFFICIAL REPORT  
(HANSARD)

**Friday, September 22, 1995**

**Speaker: The Honourable Gilbert Parent**

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## HOUSE OF COMMONS

Friday, September 22, 1995

The House met at 10 a.m.

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*Prayers*

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### GOVERNMENT ORDERS

[*English*]

#### MANGANESE BASED FUEL ADDITIVES ACT

The House resumed from September 19 consideration of the motion that Bill C-94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, be read the second time and referred to a committee; and of the amendment.

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, I am continuing on from my speech which was interrupted by a vote on Tuesday.

The environment minister claims MMT contributes to sparkplug failures, in particular a type of sparkplug manufactured by General Motors. GM claims there were more warranty complaints against one of its single engine sparkplugs in Canada than in the U.S. and MMT was to blame. However, studies conducted by the Southwest Research Institute demonstrate that a short circuit problem occurs in the brand new plugs and it has nothing to do with MMT. It is also important to note that GM has since withdrawn the sparkplug in question from the North American market. Therefore, in short, that argument does not hold any weight.

What we seem to be missing on this issue are the facts. The Canadian Petroleum Producers Institute has called for the environment minister to allow industry to examine MMT and its impacts in a fact based joint assessment which would be conducted by PPI and the automakers; in other words, get the two players in the same room.

Why has the government refused to call for or conduct an independent technical review? The largest fuel additives testing program in history conducted over five years for the U.S. EPA concluded MMT poses no problems for vehicle emission systems.

In addition, the recent decision by the U.S. court of appeals determined that MMT does not cause or contribute to a failure of any emission control device or system. The EPA testing program looked at MMT's effects on catalytic converters, onboard diagnostic systems, exhaust systems and sparkplugs among a variety of other factors. The EPA concluded MMT passes the most critical of tests with a comfortable margin.

As a result of the U.S. EPA testing program, MMT may be introduced in the U.S. by the fall of 1995. Why then are we banning it in Canada when the government has stated it wants a uniformity of standards with the U.S.? The result of the U.S. court decision alone would be sufficient reason for the government to withdraw Bill C-94.

We need to look closely at why we are being asked to consider banning interprovincial trade in MMT. This proposed ban clearly contradicts Bill C-88 which is intended to remove barriers to international trade and constitutes unilateral interference into interprovincial matters. We need to have some solid evidence before making such a move.

Bill C-94 must be examined more thoroughly by the industry committee. As it stands we are still left with more questions than answers. Without any legitimate answer from the government the bill cannot be justified.

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I am pleased to have the opportunity to participate in this debate on the second reading of Bill C-94 and more particularly on the Reform Party amendment proposed by the member for Calgary North who does not think we should proceed with Bill C-94, an act to regulate interprovincial trade and so on. She thinks the bill should be withdrawn and we should merely refer this issue for further study before a parliamentary committee. I would like to speak to that for a moment.

• (1005)

Every now and then the Reform Party in its wisdom tells us we should not procrastinate, delay things, debate them too long, that we should move on with things. I heard profound speeches from hon. members of the Reform Party yesterday, at least as profound as we can get from Reform members, admonishing the government and all of us, asking us to pass legislation more quickly. What is the first thing they do? They propose an amendment asking that we not proceed with this bill.

*Government Orders*

Let us get to the subject matter of the bill to determine whether the Reform Party is correct in what it wants. What does the bill do? The purpose of the bill is to prohibit the import or the interprovincial trade for commercial purposes of MMT or anything containing MMT. What does that mean? It means that particular additive to gasoline would not be permitted.

I suppose the next question is does everyone not use MMT? It is not used in hardly any country except ours, and I will get into more specific details in a minute. Could it be that if it is not good enough for anyone else then perhaps we should consider banning that product as well?

Some people will say it is used in a variety of countries. The Ethyl Corporation put an ad in newspapers yesterday or the day before saying it is used in some countries and gave the examples of Brazil and New Zealand, I believe. It is used there and let it not be said it is not used anywhere.

I did not keep the advertisement in question because I thought the corporation's own sales pitch made the reverse argument of what it was trying to prove. It was saying it was not true that it was not used anywhere, that it was not used just about everywhere. I thought that reinforced the argument most of us believed in.

MMT should be banned for a number of reasons. The product in question has been known to have effects which are offensive to the health of people. That is why it was not used in many countries. That is why it is still not used by most nations. The question we should ask is does it make it any better if we keep the product? No, that does not work either.

The hon. member for Bruce—Grey the other day gave us a very important speech on this issue. He is very knowledgeable in the area. He taught that subject matter as a teacher and knows much about it. He told us why the attitude of some people with regard to this product is totally wrong.

**An hon. member:** We should get Reform to read it.

**Mr. Boudria:** Yes, we should get Reform members to read the speech of the hon. member, although I am sure most members would want to read all speeches from the hon. member for Bruce—Grey because they are so very eloquent.

Coming back to the matter in question of MMT, we in this country use that product. It is an additive to gasoline. It is an octane enhancer in effect but there are other octane enhancers we can use. For instance, ethanol can and has been used to provide the same kind of octane enhancement. I know ethanol cannot be a total replacement but that in itself along with other initiatives proposed by the Minister of the Environment assists the agricultural area, helps to clean up the environment and rids us of the product known as MMT.

• (1010)

[*Translation*]

I see that the member across from me disagrees; he says that is wrong. Well if the hon. member thinks so, he may be able to convince U.S. authorities and all the other jurisdictions in Western Europe, etc. All those countries are probably wrong while the hon. member is right. I am sure that many would have different opinions on this matter.

[*English*]

People ask whether sparkplugs are affected by MMT. Auto manufacturers have reported there is a greater incidence of sparkplug failure in Canada compared with similar product offerings in the United States. Sparkplug failure and other problems of that nature which are caused by the use of MMT affect automobile performance. Cars that do not perform well waste more gasoline, pollute more and so on; it is a chain reaction.

It is interesting to note that the maintenance schedule which includes tune ups and so on for the brand of car I drive is substantially different in Canada from the United States. Why does a car have to be tuned up less frequently in Minnesota than in Ontario or Manitoba? There is no logical reason save perhaps what is used to propel the car is different and maintenance may be required more in one jurisdiction than the other. We are told precisely by auto manufacturers in the instance of sparkplug failure that there is greater wear on sparkplugs and a greater incidence of failures where MMT is used compared with where it is not.

**Mr. Milliken:** Why did we not do this years ago?

**Mr. Boudria:** I do not know. The hon. member for Kingston and the Islands has put it very eloquently by asking why we did not do this some time ago because the product was banned in the United States a long time ago.

[*Translation*]

I do not know. Of course, for almost a decade, we had a government that was very much like the Reform Party in front of us, namely the Tory government, and that probably did not help.

Today, we have the opportunity to right this wrong by adopting measures to clean up the environment. I know that the former Minister of the Environment, the hon. member for Lac-Saint-Jean, who is a great environmentalist, will want to vote in favour of this bill, as will all other parliamentarians concerned about cleaning up our country's environment.

In conclusion, I ask all my colleagues to vote in favour of the bill tabled by the hon. Minister of the Environment and against the amendment put forward by the hon. member for Calgary North, who is once again demonstrating the Reform Party's systematic and systemic efforts to block any worthwhile initiative aimed at cleaning up this country's environment.

[English]

**Mr. David Chatters (Athabasca, Ref.):** Mr. Speaker, thank you for the opportunity to speak to this issue again. I listened to the members from the opposite side and I am absolutely amazed at the blatant untruths that are being spewed forth from members opposite. I have studied this issue very carefully and there is simply no independent evidence to support the statements we have just heard being made.

There is all sorts of evidence to support exactly the opposite. The Canadian Department of Health did studies and concluded there was absolutely no detrimental effect to the health of Canadians or anyone else by using MMT. That is simply factual evidence. The government continues to spew forth studies from the Canadian Automobile Association which it refuses to release to the public and so we can neither deny nor verify them. It is simply not true.

• (1015)

I fail to understand what is really driving the agenda. We heard some comments about the ethanol industry and how we should give the industry a leg up, which I suppose means subsidization of an industry that cannot compete on an equal playing field. We certainly do not support that kind of initiative. If the ethanol industry can exist viably without taxpayer subsidization then good for it. We wish the industry all the luck.

In speaking with the refiners in Canada that refine and formulate our gasolines, they assure me that even if MMT were banned ethanol would not replace MMT as a gasoline additive. The only thing banning MMT would do would force refiners to be more intensive in their refining process, to use more crude oil, to refine it further, causing higher CO<sub>2</sub> emissions, higher benzene emissions and higher sulphur emissions. Again those facts simply do not back up what is being said.

There was some debate when I spoke the other day on this matter about whether the minister had met with Ethyl Corporation, the other side of the issue. I specifically said she has consistently refused to meet with both sides of the issue to discuss it and to listen to all the facts. After having spoken on it and after having had the debate with members opposite I checked to make sure I was correct. The Canadian Petroleum Products Institute wrote to me. It also wrote to the Parliamentary Secretary to the Minister of the Environment. The letter reads:

I listened with interest to the second reading debate on Bill C-94 and while I do not agree with your position in this matter, I appreciate your interest in this subject. I would, however, like to address one issue you raised with the member

### *Government Orders*

from Athabasca, Mr. David Chatters, during the question and comment period following his speech.

Mr. Chatters quite correctly pointed out that Minister Copps has refused to meet with representatives of Ethyl. In reply, you stated twice that the minister met twice with CPPI as a representative of Ethyl, on this issue.

I want to be completely clear on this point. The Canadian Petroleum Products Institute does not now, nor has it ever, spoken on behalf of Ethyl Canada or Ethyl Corporation. Ethyl is not a member of CPPI, as membership is limited to producers and marketers of motor gasoline.

Representatives of Ethyl have met once with the minister's staff and have met on a few occasions with departmental officials. We have asked for, and been refused a meeting with the minister.

I would ask that you correct this statement at your earliest opportunity.

Clearly there is a lot of confusion, a lot of misinformation and a lot of untruth surrounding the issue. The government repeatedly claims to promote the reduction of interprovincial trade barriers and to promote trade between the provinces. On the issue the minister of the environment for Alberta said: "It is unclear that the removal of MMT from gasoline has a net environmental benefit. Alberta favours the design of a suitable binding process to resolve the dispute in a fair and timely fashion. An open multi-stakeholder review of the environmental and economic merits of MMT should be key to the dispute resolution mechanism to credibly solve the vehicle fuel compatibility issue".

I have a letter from Michael Shaw, deputy minister of the environment and resource management for Saskatchewan, to Mel Cappe, deputy minister of Environment Canada, which reads:

The Motor Vehicle Manufacturers Association has not convinced Saskatchewan and the majority of the provinces that there is any evidence to show that MMT has an adverse effect on the onboard diagnostic systems.

It continues:

We are also concerned with the impact this decision has on the Consumers' Co-operative Refineries Limited—in Regina. CCRL has advised us that refining costs will increase in the order of \$500,000 annually if MMT is banned. We have difficulty rationalizing this cost with no identifiable benefits to air quality by this action.

• (1020)

I have a letter from the minister of the environment for Nova Scotia, Wayne Adams, which reads:

We have recently expressed concerns to the federal Minister of the Environment's stated intention to legislate a ban on the use of this additive.

The Canadian Council of Ministers of the Environment has established a task force on cleaner vehicles and fuels. The mandate of this task group includes the development of options for setting minimum standards for reformulated fuels as a measure to improve air quality. The assessment will be done in such a way as to provide a national approach and the continued use of MMT in Canada will undoubtedly be one of the issues

*Government Orders*

reviewed. The results of an independent study and the benefits and detriments of MMT would undoubtedly be considered.

David Wilson, the provincial minister of the environment for New Brunswick, said: "It seems there are two opposing views on the value of MMT to the environment. Perhaps an independent review is warranted".

Norman Brandson, Manitoba's deputy minister of the environment, said:

The potential negative impacts or positive benefits arising from the continued use of MMT as an additive to unleaded fuels seems to be an issue that includes comprehension of significant technical information. There needs to be a resolution that will be in the best interests of the environment and the consumer, for both the short and long term.

It would be much preferred that this issue could be resolved directly between the industries involved (the manufacturer of vehicles and those providing the fuels for those vehicles).

I would hardly deem that as support for the initiative from the provinces.

Again we go back to the statements that are being made on the issue continually from the opposite side of the House. Again I reiterate that I cannot understand what is driving the agenda because the evidence is so clear and indisputably against what the government has been saying on the issue.

The Minister of the Environment said:

Some companies have indicated that, rather than accept the possibility of increased warranty repair costs, they may disconnect OBDs or reduce vehicle warranty coverage unless steps are taken to remove MMT from unleaded gasolines in Canada.

That simply is not a valid statement. In blaming MMT for the onboard diagnostic problems the automakers have not disclosed that the automobile industry has experienced substantial technical difficulties in complying with the onboard diagnostic II requirements in the U.S. where MMT is not currently being used and has not been used for 18 years. It is not MMT that is causing problems with the onboard diagnostic equipment. It is simply that the technology has not been perfected and developed to the point where it is reliable.

Another statement by the minister reads that removing MMT "will ensure that the most up to date equipment used to reduce air pollution will not be jeopardized by components in the fuel".

That comes from the Environment Canada news release on May 19, 1995 and is simply not true. The automakers are blaming MMT for onboard diagnostic problems with certification that I spoke about before. The government has blindly accepted that argument without any studies or without any facts, or at least without any independent studies of the auto making industry.

The next statement reads: "The automobile industry is convinced that MMT has an adverse effect on the operation of vehicle emission control components including sophisticated onboard diagnostic systems". That statement is also from an Environment Canada news release May 19, 1995. It continues:

"The automobile manufacturers have failed to demonstrate any adverse effects related to MMT and have not disclosed onboard II certification problems in the U.S. Most of the Motor Vehicle Manufacturers Association information on onboard computers has been previously rejected by both the U.S. Environmental Protection Agency and the U.S. court of appeals".

Before the end of the year MMT will again be used in the United States, which would mean that if we are to achieve formulation compatibility between the two countries, as was the wish of the Minister of Industry, we would then be required to leave MMT in the formulation rather than remove it.

If one cares to look at the evidence—and it does not seem to be very important in the debate that is taking place—there simply is no strong independent evidence that MMT has caused any of the problems we spoke about.

● (1025 )

It is very important that we step back, take another look and do some independent studies in the time we have before the product is again released in the U.S. to verify this argument one way or the other. That is a reasonable request and one based on the evidence before us.

**Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.):** Mr. Speaker, first and foremost, following the Reform member from Athabasca, he should check his facts because when he refers to factual statements by the New Brunswick environment minister he should at least get his name straight.

[*Translation*]

The federal government took a decisive step to protect the environment, jobs and consumers and to ensure Canada remains a leader in automotive technology.

[*English*]

Bill C-94 will prohibit the import and interprovincial trade of MMT, a manganese based fuel additive manufactured in the United States. The proposed bill, to be known as the manganese based fuel additives act, will come into effect 60 days after it gains assent.

[*Translation*]

Only in Canada is MMT added to unleaded gasoline. The United States banned MMT from their unleaded gas in 1978. Bulgaria and Argentina are the only other countries interested in using it. Why is MMT not used in a larger number of countries? Because MMT impedes the functioning of emission control devices on modern cars and trucks.

Environment Canada has received and reviewed many studies on the effects of MMT on this kind of system. I agree with Ford, Chrysler, General Motors, Toyota, Honda, Subaru, Nissan, Mazda, Mercedes, BMW, Volkswagen, Volvo, Saab, Lada, Jaguar, Land Rover and Hyundai, who all say that MMT impairs the operation of state-of-the-art onboard diagnostic systems, or

OBD systems, where the vehicle's emission control device is located.

[*English*]

These systems are extremely important for the environment. They are responsible for monitoring the vehicle's emission control and for alerting the driver to malfunctions. They ensure that the clean burning engines of today and tomorrow operate as designed. They ensure that automobiles are properly maintained, resulting in decreased tailpipe emissions and improved fuel economy.

In other words, it is one more important tool to help us address air pollution, including smog and climate change.

[*Translation*]

The government will not let MMT prevent the Canadian automotive industry from designing vehicles that are much less polluting. Our environment and Canadian consumers deserve that the best emission control systems be used.

[*English*]

Yet the Ethyl Corporation, the manufacturer of MMT, and its subsidiary Ethyl Canada refute the vehicle industry allegation about the ill effects of MMT on the vehicle emission control systems and make a counterclaim that MMT is environmentally beneficial.

What is certain is that our efforts to reduce motor vehicle pollution can no longer be addressed by just the petroleum industry, the auto industry or the federal government. Progress at reducing vehicle pollution requires simultaneous action by all. The petroleum industry needs to keep making improvements in the composition and properties of the fuels the engines burn.

The auto industry needs to keep making improvement in vehicle emission control technologies such as those offered through onboard diagnostic systems. The government needs to take decisive action such as Bill C-94, which removes a major obstacle to the introduction of these technologies.

• (1030)

However, our strategy to reduce vehicle pollution goes beyond just taking action against MMT. The federal government is doing its part because we know that automobiles are a major contributor to climate change and urban smog as well as some toxic pollutants like benzene.

In a recently released task force report done by Canada's deputy ministers of the environment, it is noted that even with the improvements in emissions technology, vehicles are still the largest contributors to air pollution. On a national basis gasoline and diesel powered vehicles still contribute some 60 per cent of

### *Government Orders*

carbon monoxide emissions, 35 per cent of nitrous oxide emissions, or smog, 25 per cent of hydrocarbon emissions and 20 per cent of carbon dioxide emissions.

The report stresses the need I talked about earlier to proceed on all fronts simultaneously. It states: "Vehicle technology and fuel composition, although two separate industry sectors, must be treated as an integrated system in the development of policies and programs in order to successfully reduce emissions from motor vehicles". This is good advice. It should complement our work in preparing a comprehensive motor vehicle emissions control strategy which includes the adoption of more stringent vehicle exhaust emission standards. To meet these standards we are counting on integrating improvements achieved in emissions control technologies and fuels.

Clearly we cannot hope to meet these standards without the kind of action we are taking against MMT in Bill C-94. It is not an action of impatience. Since 1985 the federal government has waited for the automotive and petroleum industries to resolve the situation without legislation. It was not resolved. The time for waiting is over. It is now time for the government to act.

[*Translation*]

The government will not wait any longer and risk compromising federal vehicle emission programs just because both sides cannot come to an agreement. The government will not sit back while auto manufacturers take standard diagnostic systems on 1996 models off line or refuse to have them covered under car warranties because of the damage caused by MMT.

[*English*]

It is decision time. Last October the Minister of the Environment urged both industries to voluntarily resolve the issue of MMT in Canada by the end of 1994, otherwise the government would take action. This deadline was subsequently extended into February of this year to review automobile and petroleum industry proposals. The MMT issue is no longer an industry dispute. Its outcome can affect the vehicle emissions program that we are putting into place and in the long term it could also negatively impact the automobile sector.

A successful resolution of the MMT issue will ensure that environmental benefits are realized with the use of the most advanced emissions control technologies. It will ensure that Canadians are offered the same warranty coverage as in the United States. It will ensure Canadian motor vehicle emissions control programs do not diverge from those in the United States. This means Canadians continue to benefit from the cost and technological advantages of a North American harmonized fleet. It means Canada's auto sector will maintain its competitiveness.

*Government Orders*

I know some have expressed concern with our plan to prohibit the use of MMT in Canadian gasoline given a recent U.S. court decision to grant Ethyl a waiver to use MMT in unleaded gasoline sold in the United States. However, let it be perfectly clear that MMT still cannot be used in unleaded gasoline in the U.S.

Let us move ahead. Let us do it because we need new emission control technologies like the onboard diagnostic system.

[*Translation*]

We will not tolerate that Canadian consumers be denied access to the same pollution control technologies as their American counterparts because gasoline in the U.S. does not contain MMT.

• (1035)

We will not allow such a discrepancy to exist between Canadian and American vehicles.

**The Deputy Speaker:** I am terribly sorry, but time has run out.

[*English*]

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, the motion moved by my colleague from Calgary North is a logical one, a motion of practical sense.

I encourage members of the House to listen carefully to the debate. The motion is realistic and I urge the House to adopt it when it comes to a vote which I assume will be on Monday.

The title given the bill does not sound like one that should be sponsored by an environment minister. Bill C-94 is an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances.

Why is the Minister of the Environment so keen on the passage of the bill? When one sees something this discordant it usually plays out in the end, when all the documentation is finally exposed, that a short term political deal has been struck. Someone has the inside track and then much puffery is used to hide the intent.

The bill presented by the environment minister has nothing to do with helping clean up the environment. Consequently one has to ask what is really going on here. Few believe the minister, yet she proceeds with justifications. It is embarrassing to watch.

In theory one would expect that a minister of the environment would have little in common with car makers. After all, cars are the leading cause of smog. I suppose that when we look at where the minister resides the notion becomes a little clearer. Hamilton East is right in the heartland of auto makers central.

Not long ago officials from the Department of the Environment came to my office to explain the background of the bill. When they were asked what impact the bill would have toward helping the environment they had to admit it was slim to none and at best maybe only indirectly.

Some time ago I received an explanation of the onboard diagnostic systems that are said to sometimes not work when MMT is included in gasoline. According to the Motor Vehicle Manufacturers Association the 1996 cars are to be equipped with the latest technology but because MMT is still in Canadian fuel they simply unplug the sensor lights for the systems.

Canadians need to picture this. Canada's environment minister is banning the use of a fuel additive because a little part on a car is said to create a premature warning light to go on. Where is the national environmental concern here?

I am not disputing that onboard diagnostic systems may be beneficial. Politicians hoped they would make car pollution equipment more reliable so they ordered manufacturers to put them on. Consumers sure did not ask for it and the reluctant car makers also balked.

Car makers kicked back and designed a scheme to blame someone else for their technical failures and shortcomings and their unwillingness to pay. Let us be clear: OBDs do not regulate or control emission systems, neither do they clean anything. I think some people are assuming these devices will reduce pollution from our environment. It is just adding warning lights, or as we used to say idiot lights, on the dashboard that signal that the existing pollution controls are normal.

Imagine it, idiot lights for cars are a legislative priority of the Minister of the Environment. The minister likes lights on her dashboard, so she brings a \$1 billion disruption to the Canadian petroleum industry to get a little lighted colour in her driving experience. When the public absorbs what the minister is doing I know what it will want to do to her lights.

In the United States the Environmental Protection Agency placed a moratorium on MMT in 1978. It was a raw deal by some American politicians and regulators that will eventually be corrected in the courts. So far the United States court of appeals found that the EPA did not have the evidence to prove that MMT should not be used.

Banning MMT in Canada is not an environmental issue. However it could very easily have been had Health Canada found it harmful but it did not. It could not, no matter how hard it tried. In fact Health Canada on December 6, 1994 issued a report entitled "Risk Assessment for the Combustive Products of MMT". It reported: "All analyses indicate that the combustion products of MMT in gasoline do not represent an added health risk to the Canadian population".



*Government Orders*

I am sure the minister would have liked to put the substance on the listed schedule under the Canadian Environmental Protection Act to please her friends, except Health Canada got in the way and made an unfavourable ruling.

• (1040)

If the minister could have banned MMT under CEPA she would not have needed this legislation. If the environment minister cannot prove this bill will directly affect the environment then I say this should not be an environmental bill.

The Minister of the Environment is telling Canadians the removal of MMT will significantly improve the quality of our environment. That is wrong, very wrong. The removal of MMT will increase nitrous oxide or NOx emissions by 20 per cent. That is why MMT is used. It is there to make gas burn cleaner, to help the environment. In case Canadians do not know what NOx creates, it is smog.

## SUSPENSION OF SITTING

**The Deputy Speaker:** The sitting must be suspended until we find out what is going on.

(The sitting of the House was suspended at 10.41 a.m.)

[*Translation*]

## SITTING RESUMED

The House resumed at 10.55 a.m.

**The Deputy Speaker:** Dear colleagues, as you probably know, there seems to be a problem in the basement.

[*English*]

The alarm system began. We have an extremely good alarm system, so we are all safe.

The hon. member has four minutes left in his intervention.

**Mr. Forseth:** Mr. Speaker, constituents of Hamilton East should know their MP has created legislation that will increase smog over Hamilton. The Canadian Petroleum Products Institute recently made a claim that removing MMT would be the equivalent of adding over one million additional cars to Canadian roads. That is what this environment minister is doing.

It is said that the onboard diagnostic sensors are put in cars essentially for consumer protection. Industry Canada's role is to protect, assist and support consumers' interests. It would only make sense this bill be made an industry bill and dealt with in a more technical light. If the bill is industrial rather than environmental, it should then go to the appropriate standing committee.

Further, the problem addressed in this bill is essentially a commercial dispute between two industries, the automobile manufacturers and the petroleum refiners. It is about who pays

to reach the next level. The Minister of the Environment really has no business stepping into the fray of this marketplace decision and the deals and the manoeuvres going on in another country.

Last year the minister was pressured by the MVMA and therefore found a way to make the issue an environmental bill. Apparently representatives from General Motors, Ford and Chrysler met with the Minister of the Environment to discuss the banning of MMT. They told her that if MMT was still in gasoline in August 1995, a time when all new models would be released, they would do one of three things: raise the price of each automobile by \$3,000; void sections of their car warranties; and/or close down some high technology Canadian manufacturing units. She could not because Reformers were here, and they did not do what they threatened to do because they lied in the first place.

The minister did not know and for that matter probably did not care what effects MMT had on the environment. She knew the MVMA has tremendous power. When it said jump, she asked how high.

Our motion is to change the wording of the bill so it reads that the subject matter be referred to the Standing Committee on Industry. The House has heard the Minister of Industry rise on questions related to the issue. He realizes that it is closely associated with his department. However, the industry minister did not take it on because it was too embarrassing a proposal.

The Minister of Industry has said he wants a uniformity of standards between the U.S. and Canada. He stated in the House on April 25, 1995 that "it is crucial that we have uniformity of standards. The efforts we have put into trying to ensure there was a voluntary agreement between the two sectors has been well placed, but finally governments have to decide".

The Minister of Industry wants our fuel to be the same as it is for various parts of the United States. He wants some uniformity. He may not have to wait very long. The United States is set to have the American MMT prohibition lifted some time before Christmas of this year. However, the Minister of the Environment is too committed down a certain path to thoughtfully do what is right. She is on a direct course to please her friends, play with her Canada, and leave us with all the bills.

All members of the House are honourable enough to evaluate what is really going on here. The Liberal backbenchers know what is going on. If there were ever a time to blow the whistle on the boss, it will be on Monday when we have a vote on the motion moved by my colleague from Calgary North. It is eminently sensible and appropriate to send this bill to the industry committee.

**The Speaker:** It being 11 a.m., pursuant to the standing order we will now hear Statements by Members.

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## STATEMENTS BY MEMBERS

[English]

### MACEDONIA

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Mr. Speaker, the interim agreement just signed at the United Nations between Greece and FYROM, the former Yugoslav Republic of Macedonia, meets two key international issues raised by the Greek government: removal from FYROM's flag of Alexander the Great's star and removal from FYROM's constitution of apparent irredentist claims on Greek territory.

FYROM's name, a principal barrier to normalization of relations and co-operation between the two states, is agreed as a subject for further negotiation.

Canada's policy of non-recognition of FYROM until these issues should be resolved has contributed positively to the diplomatic negotiations now under way and should be maintained until a full, binding legal agreement is achieved, probably at the end of October.

\* \* \*

[Translation]

### BELL CANADA

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, after announcing that it would eliminate 10,000 jobs between now and 1997, Bell Canada refuses to use the voluntary departures of 328 telephone operators in Quebec to avoid having to lay off 100 other employees.

Bell Canada justifies its decision by pointing to the stiff competition which it must face since the CRTC forced the company to end its monopoly.

We can understand that Bell Canada must remain a profitable venture; however, it must not do so at the expense of many families and without any consideration for the economic survival of several Quebec and Ontario regions, which are severely affected by the company's decision.

While all of this is going on, the Minister of Labour remains silent. She does not do anything to reduce the negative impact of that situation on the families concerned. The centralizing approach of the federal government is now being copied by large companies and that is unacceptable.

\* \* \*

[English]

### TAXATION

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, Canadian taxpayers have been held up, held down,

sand bagged, walked on, sat on, flattened out and squeezed by our income tax system and by the GST.

Every year Revenue Canada makes sure that as taxpayers we are inspected, suspected, audited, examined and re-examined to the point that we do not know who we are, where we are or why we stay here at all. All we know is that as taxpayers we are supposed to have an inexhaustible supply of money for every whim that suits high brow Liberals but not brow beaten Canadians.

Taxpayers are tired of being held up, hung up, robbed and darn near ruined by excessive taxation in this country. Many families are hanging on now fearful for what happens next. Our message to them and all Canadians consists of two simple words: flat tax.

For all those who have cussed, discussed and boycotted our convoluted Income Tax Act we say hang on. A simple, visible and fair tax system is on its way; so too is a Reform government for Canada.

**The Speaker:** I think we will have to put him down as a doubtful supporter of the tax system.

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### ROYAL CANADIAN MOUNTED POLICE

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, what is happening to Canada's finest?

Most Canadians were shocked to learn that the RCMP had joined with Disney in an effort to promote both of their images at home and abroad. However, what about the picture in today's *Globe and Mail*: six scarlet clad Mounties at the New York Stock Exchange on Wall Street, rented by a private oil company to promote its new stock listing on the New York Stock Exchange.

The company also planned to use these rented Mounties to generate more publicity for its stock by having them chauffeur late night talk show host David Letterman to his studio. However this was nixed at the last minute, not by the RCMP but by Actors Equity which claims the Mounties were not professional actors.

Is the RCMP now renting out members of the force to raise much needed budget funds or is it spending time back in Canada fighting crime? While its members are on Wall Street they are not fighting crime in Canada which is their mandate.

\* \* \*

### HERITAGE RIVERS

**Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.):** Mr. Speaker, I am pleased to announce the Fraser River has been proposed as the first candidate for protection under British Columbia's proposed heritage rivers program. This program will promote greater management of B.C.'s vital waterways and protection of B.C.'s finest salmon rivers.

A five member board will nominate approximately 20 rivers for protection under heritage status. Among the nominees are the Adams, Babine, Blackwater, Cowichan, Skagit, Similkameen and Stikine Rivers. All nominees are considered exceptional and are in need of heritage protection.

Due to its economic, historic, recreational and environmental significance the Fraser River is considered the jewel of the system.

In the U.S. 33 states have already adopted such a program. I am pleased to announce that British Columbia will be the first Canadian province that has adopted its own heritage river system.

\* \* \*

• (1105)

### REFORM PARTY

**Mr. John Murphy (Annapolis Valley—Hants, Lib.):** Mr. Speaker, recently members of the Reform Party have been telling us they have all the answers for Atlantic Canada.

In my riding of Annapolis Valley—Hants I am proud to say the government's policies are not holding people back as the Reform Party would claim. Instead, our commitment to youth, our emphasis on training and our focus on helping small business have all helped to create real opportunities and jobs.

It is time the Reform Party came clean with its plans for Canada. The complete dismantling of our social programs, the end of universal health care and the elimination of equalization payments to the provinces are all examples of that party's true national agenda.

The people of Nova Scotia recognize the Reform Party's slash and burn agenda for what it really is: simplistic and clearly out of touch with the views of Canadians.

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### QUEBEC REFERENDUM

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I realize the referendum will be conducted in Quebec by Quebecers. That is as it should be. Such activity is one of the privileges of our wonderful Confederation.

[Translation]

As the member representing the riding of Peterborough, I want to say something to my fellow citizens from Quebec. An overwhelming majority of my constituents want Quebec to remain part of Canada. Several of us have French as their mother tongue, while others attend French immersion schools. As well, some, like me, studied in the «belle province» and have children who were born in Quebec.

### S. O. 31

These examples clearly show the many strong links which unite us. Please stay with us.

\* \* \*

### FEDERAL PUBLIC SERVANTS

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, this government is trying to intimidate federal public servants in Quebec who want to actively participate in the referendum campaign. In a letter to all his employees, the deputy minister for Treasury Board warns federal public servants in Quebec to think twice about the nature of their employment before making public statements.

Federal union officials are unanimous in denouncing this barely veiled threat because, notwithstanding the Liberal government's will to gag federal public servants, the Supreme Court recognized that they have the right to freely express their views during election or referendum campaigns.

Since when does the government threaten its employees with losing their job if they exercise their right to speak freely? As we saw earlier this week, the government is once again about to sacrifice the rights and freedoms of Quebecers for the sake of Canadian unity.

\* \* \*

[English]

### PATRONAGE APPOINTMENTS

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, the Liberal members while in opposition complained day after day about patronage appointments of the previous government. Times have not changed. The justice minister has continued the tradition by appointing to the Court of Queen's Bench 11 party hacks, bagmen and party supporters to have a turn feeding snout deep at the taxpayers' expense.

The Liberals promised in their infamous red book to end patronage. Canadians should know the only symbol their colour red stands for is the continuing debt and the colour of baloney. The Liberal justice system of social engineering and blaming society for the actions of criminals will continue with these appointments. The Liberal attitude of finding everyone wrong but special interests crying discrimination will continue because of these appointments.

Let the Liberals feed their faithful while they can. The trough will be sealed after the next election.

\* \* \*

### OTTAWA LYNX BASEBALL TEAM

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, on September 13 the Ottawa Lynx Triple A baseball team won the Governor's Cup of the international league. Thanks to their great team effort the Lynx beat the Norfolk Tides four to nothing, thus winning the best of five series three games to one.

*S. O. 31*

Norfolk with the best record during the regular season was the favourite team coming into post-season play; however, the Montreal Expos farm team peaked at the right time and took the championship.

Since its creation the prospects for the Lynx have been rather encouraging. In the first year the team set a new attendance record for the league.

The September 13 game which brought the championship to Canada stretched over four hours and twenty-seven minutes, including two rain delays, yet the 9,000 plus fans gathered at the Ottawa stadium never lost faith in their team.

• (1110)

On behalf of all the baseball fans in Ottawa—Vanier and in Ottawa—Carleton, I offer my most sincere congratulations to the Ottawa Lynx, to their manager, their president and owner, Mr. Howard Darwin and Jim Durrell, the former mayor of Ottawa.

\* \* \*

**EMERGENCY SERVICES PERSONNEL**

**Mr. Ovid L. Jackson (Bruce—Grey, Lib.):** Mr. Speaker, I rise in the House today to pay tribute to the women and men who work in the police, fire, water rescue and ambulance services in Bruce—Grey. On September 24 the Reverend Christopher Pratt will conduct a special service at St. George's Anglican Church in Owen Sound honouring those hard working, well trained and dedicated people.

I am sure hon. members of the House share the admiration and respect I feel toward the people in Bruce—Grey whose jobs often take them into high risk situations.

I join the congregation, the members and the people of Bruce—Grey in giving a hearty thank you to those courageous individuals for their contribution toward safer communities.

\* \* \*

[Translation]

**QUEBEC SOVEREIGNTY**

**Mrs. Madeleine Dalphond—Guirail (Laval—Centre, BQ):** Mr. Speaker, yesterday the yes side laid out the foundations for the sovereign country Quebecers are being called upon to build for themselves. Echoing the many demands expressed during the commissions on the future of Quebec, the aim of the sovereignty team plan is to breathe a new dynamism into Quebec society once it possesses all of the powers vested in a sovereign people.

“Our Hearts in Our Work” is a second quiet revolution. Because a sovereign Quebec will be able to use all of the means

available to sovereign states, it will find original solutions to the numerous problems facing us.

Choosing the no side means choosing immobility. We are sure that Quebecers will say no to immobility and yes to change.

\* \* \*

[English]

**HEALTH CARE**

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, the ministers of health met in Victoria this week to supposedly save medicare but instead they chose to sling insults at each other. All the while Canada's health care system continued its decline with increasing waiting lists, rationing of essential health care services and the massive exodus of expensive and highly trained professional staff.

We all care about medicare and want to see it continue. However an aging population, expensive technologies and an economic crisis have all combined to make medicare as we know it unsustainable. We must look at other new ways to preserve the intent of medicare which will ensure that all Canadians regardless of their income have essential health care services covered in a timely fashion.

The public does not accept the flawed logic of this government which prevents it from gaining access to medical services of their choice. All Canadians must be free to have medicare and a choice to ensure that the health care needs of all Canadians is met.

\* \* \*

[Translation]

**PAYNE WEBNER STUDY**

**Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.):** Mr. Speaker, Quebec separatists did not take long to react to a study published yesterday on the credit rating of an independent Quebec. The study, which is on the whole very positive for those who are promoting independence for Quebec, remains conspicuously silent on several important aspects of the question, as pointed out by Michel Van de Walle in his business column in the *Journal de Montréal*.

Another issue our separatist friends have tried to dodge arises from the confusion around the author of the report. The firm of Payne Webner, whose name was associated with the report, said in a press release last Wednesday that it neither sponsored it nor endorses its conclusions.

What, more accurately, should be referred to as the Albert Gordon study fails to clarify satisfactorily a question that is extremely complex. We can imagine that after a very difficult week like this one, Quebec separatists needed a new set of rose-coloured glasses.

*Oral Questions***ACTION DÉMOCRATIQUE DU QUÉBEC**

**Mr. Réginald Bélair (Cochrane—Superior, Lib.):** Mr. Speaker, the leader of the Action démocratique du Québec must be starting to wonder what he is doing in Quebec's separatist coalition. In today's *Le Soleil* published in Quebec City, we read that half the executive of Mario Dumont's riding association intend to vote no in the next referendum.

Members of the association are deeply divided on the policies of their party, and some, including Rémi Dumont, and I quote, "are disappointed in the ADQ's decision to vote for sovereignty". Rémi Dumont added that he would work for the no side.

• (1115)

This development, which is astonishing to say the least, should remind the ADQ's young leader that the Quebecers who supported him in the last election may want more powers for Quebec, but they want those powers within a united Canada.

**ORAL QUESTION PERIOD**

[*Translation*]

**PRIVATIZATION OF PEARSON AIRPORT**

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, on two occasions—December 8, 1994 and March 27, 1995—in response to questions by the official opposition, the Prime Minister stated in this House that he never met promoter Jack Matthews in order to discuss the privatization of the Pearson airport and has denied soliciting a contribution of \$25,000 to his campaign for the leadership of the Liberal Party.

Testifying last night in the Senate investigation of the Pearson scandal, Mr. Matthews stated under oath that he indeed met the Prime Minister in late 1989 or in early 1990, that discussions did indeed concern the privatization of Pearson airport and that the future leader of the Liberal Party asked him for a \$25,000 campaign contribution.

My question is for the Prime Minister. In the face of this sworn testimony, will the Prime Minister continue in his denial or does he intend to change his version of the facts?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I continue in my denial. Particularly because the meeting was held on April 14, 1989 in the company of a lawyer, who testified under oath and kept notes in his files and because we discussed with Mr. Matthews the possibility of building a head office for Transport Canada on a property in Ottawa.

There was absolutely no discussion of Pearson airport and, what is more, I have never solicited funds from anyone during my political career. People were solicited by my supporters. He has got it mixed up again; he has the date wrong and everything. Mr. LaBarge has testified that he had no interest in it and that he is a lawyer. He testified very clearly confirming my version that we discussed the Transport Canada building and nothing else and, at that point in time—April 1989—the then leader of the Liberal Party was still in office and had not yet resigned. I therefore have nothing to add to what I have said in this House.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, in March 1994, as he did today, the Prime Minister relied on corroboration from his former colleague, lawyer Paul LaBarge, who also denied what Mr. Matthews said. Mr. LaBarge testified under oath yesterday as well before the Senate committee maintaining his denial.

However, this morning's *Globe and Mail* reported obtaining a copy of the tape of last January's telephone call in which Mr. LaBarge contradicted his testimony of yesterday and confirmed Mr. Matthews statements. I quote the following passage from this morning's *Globe and Mail*:

[*English*]

"Mr. LaBarge confirms that the meeting took place just before Mr. Chrétien launched his bid for the Liberal leadership and that campaign contributions were discussed".

[*Translation*]

My question is for the Prime Minister. Given this recording in which Mr. LaBarge himself confirms Mr. Matthew's sworn testimony, will the Prime Minister, who has now been twice contradicted, acknowledge that his credibility is seriously in doubt?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I met with Mr. Matthews in the circumstances I described to this House in April 1989. We discussed the Transport Canada building, which, at that time, was the subject of various proposals the government wanted. I was a lawyer. I gave my opinion on whether they were following the right procedure and on the chances of successfully obtaining the contract. It was in April 1989, as has been confirmed by Mr. LaBarge, who had it in his notes. And about the telephone call that was recorded without Mr. LaBarge's knowledge, I really do not know. All I know is that the dates are confirmed in the file in the office of the firm of lawyers I belonged to.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, apart from the fact that Mr. Matthews was under oath and runs the risk of facing very serious consequences for perjury, there is the fact that the Prime Minister can no longer use Mr. LaBarge's testimony as his support, because Mr. LaBarge contradicted himself in the tape the *Globe and Mail* obtained, as it reported this morning, and this is very serious, Mr. Speaker.

*Oral Questions*

● (1120)

So, if the Prime Minister is so sure of the truth of his words, why does he not go and repeat them under oath before the Senate committee of inquiry?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am the Prime Minister of Canada at the moment. I repeat that I was not a member of Parliament at the time, I was a lawyer, and we discussed the proposal for the Department of Transport building.

There was no question of an election campaign at that point, and all those who know me know very well that I have never solicited funds on my own behalf for my election campaigns and that the facts are very clear in this regard. I give my word that I never discussed the Toronto airport with this man, who is having considerable difficulty himself remembering the dates and everything. I am not going to take the time to analyze all the many contradictions in his testimony.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, of course the Prime Minister's opinion commands respect. However, in this case it has been formally contradicted by a Canadian citizen speaking under oath and by a taped conversation.

In the circumstances, would the Prime Minister not consider it would be most advisable for him to agree to testify under oath in order to clear up this matter? Would the Prime Minister agree with the importance of such a step?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, when a minister rises in the House and gives his word, that is generally good enough for hon. members.

Especially since according to one of his claims, he received a call from someone who is now one of my collaborators, Mr. Goldenberg, who allegedly also asked him for a contribution. Mr. Goldenberg has asked him, through his lawyers, to withdraw what he said. He never met Mr. Matthews and never spoke to him on the telephone.

Mr. Matthews will have to face charges before the courts, since Mr. Goldenberg has instructed his lawyers to start legal proceedings against Mr. Matthews if he does not withdraw his statement.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I know it is customary, and indeed we do respect the word of a member in this House. However, the Prime Minister is no doubt aware that the parliamentary immunity, the legal immunity a member enjoys when he speaks in this House implies that when a citizen testifies under oath or a member agrees to testify under oath outside this House, the impact is far greater, because there are major legal consequences.

In the circumstances, why should the Prime Minister, who knows the value of a sworn statement, leave any doubts as to his version of the facts and his integrity, considering he was formally contradicted by an individual who was speaking under oath and may face certain consequences? What this individual said is confirmed by a tape recording.

Why should the Prime Minister be willing to leave these doubts in people's minds, when he has the convenient option of appearing before a Senate committee, being sworn like an ordinary citizen and repeating his statement?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am going by the precedents in this House for testimony by prime ministers. If you want to bring a Bible here, I will swear on the Bible in front of the entire country. Bring the Bible. I will swear on the Bible. I have no objection.

Mr. Speaker, do you have a Bible? I will swear on the Bible right now. If the hon. member will not respect a parliamentary tradition that says that when a member rises in this House, his word is as good as his oath, bring me a Bible and I will swear on the Bible, in English and in French.

\* \* \*

● (1125)

*[English]***PEARSON AIRPORT**

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, the odour surrounding the cancellation of the Pearson airport contract continues to get worse. The government is now planning to use the taxpayers' money to buy its way out of a mess it created. It claims it will be an arm's length purchase by the greater Toronto airport authority, but what private sector lender provides 175 per cent financing?

The Prime Minister continuously slams the actions of the former Tory government but continues to practise the same old style politics that blurs any distinction between the lines of the two old parties of the past.

My question is for the Prime Minister. Will he admit that this questionable deal is nothing more than an effort to buy his way out of an embarrassing problem and with taxpayers' money?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, the hon. member knows from his experience with the transport committee how important the policy of local airport authority and privatization of local airports is to the government. He knows that many communities other than Toronto are also engaged in a process of negotiation with the federal government to follow on the example of other cities that have taken local control of their own airports. This is a policy that enables local communities not only to improve their own airports but to take responsibility for ensuring that they use

them as economic development tools. That is something that will benefit the travellers, the businesses of the Toronto area, as it will Ottawa, Winnipeg, Halifax, and the other airport cities that are engaged in these negotiations.

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, the Liberal government has claimed in the past that failure to pass Bill C-22 has inhibited its ability to resolve the problem. The truth is it has no plan.

The current Liberal course of action is costing 4,700 jobs, \$72 million in tax revenues, leaves Pearson with a potential passenger shortfall of two million passengers a year, and has caused Air Canada to look at a \$525 million expenditure, which it can ill afford, to prop up its operation in terminal two. The government still has not provided any kind of plan.

Will the government not agree this is nothing more than an attempt to get out of a mess that is ever worsening, particularly in light of the Prime Minister's former law partner softening his refusal of the accusations that have been made?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, there is a mess here, and it started 10 days before the last election.

I can recall very clearly how explicit it was during the election campaign that a government days before an election did not have the moral authority or parliamentary authority to commit the Government of Canada to a transaction of the magnitude and importance of this one. This was not in any doubt whatsoever.

The fact that the government of the day went ahead and signed this transaction is the exact and only cause of the mess that surrounds Pearson airport today.

If the hon. member would tell his friends in the Senate to get on with completing Bill C-22, we could get on with the work at Pearson airport.

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, two years have gone by since the Liberals formed the government. There is no injunction against the government by the Pearson consortium to stop any plan of action by the Liberals. They simply do not have one.

If the government is planning to use \$800 million to compensate Claridge's partners, why is it paying this money only to the Bronfman controlled company and expecting them to bail the government out of its Pearson mess? Obviously the cheaper they do it the more money for them.

Will the Prime Minister admit the obvious? He is playing the same old game of Liberal patronage that he accuses the Tories of playing.

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, I think the best advice I can give the hon. member is to heed the comments of the Conservative chairman of the committee examining Bill C-22, who said yesterday: "You can carry this as

far as you want, but it has got nothing to do with this committee. If you think I am trying to protect the Prime Minister's reputation, my credentials as a Conservative are one hell of a lot stronger and of a longer term than any other member here". The Conservative chairman of the committee says that the Prime Minister's reputation is not the issue here. We know the issue here is getting on with the work at Pearson airport.

• (1130)

Why is it that the Reform Party continues to support a transaction that was entered into by a Conservative government lacking the responsibility and authority to do it? I do not understand that. Maybe he can explain it one day.

[Translation]

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

The Prime Minister, just now, tried to hide behind parliamentary tradition. However, no parliamentary tradition places anyone in this House above the law.

The Prime Minister has called for a Bible; there are Bibles in the Senate. Let him go to the Senate and borrow the very Bible Mr. Matthews used when he swore his oath. What is he waiting for to go to the Senate, like any other Canadian, to swear an oath and answer questions?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the chairman of the committee himself told me this had nothing to do with the issue. The chairman, a Conservative senator, told us that they do not want to ask the Prime Minister to appear, and will not do so.

No one has asked me to appear there. I stand here in this House to say clearly what I know. If the hon. member has any courage, let him accuse me specifically of lying to this House, and let his seat in this House hang in the balance as a consequence.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, speaking of respecting the institutions of Parliament, as well as respecting democracy in general, as for the referendum vote in Quebec, the Prime Minister ought to begin by respecting the traditions of this House, and behave like any other Canadian.

Once again, I ask what he is waiting for to go to the Senate to testify, to shed light on this whole matter which, it would appear, shows Conservatives and Liberals to be two peas in a pod, as they both have helped themselves freely to the taxpayers' money.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, at this very moment, I am testifying before the House of Commons. I have said all that I have to say on this matter, and I have given dates which have been confirmed by the legal firm where I used to work. I had one meeting with that man—

*Oral Questions*

**Mr. Bouchard:** That is not true.

**Ms. Copps:** Lucien, are you willing to bet your seat on that?

**Mr. Chrétien (Saint-Maurice):** That is absolutely true. I declare that we never spoke about the Toronto airport at that time. The meeting concerned the Matthews group's plan regarding the offer they wanted to make to the government with respect to the Department of Transport headquarters.

[*English*]

There were a lot of bids at the time in Ottawa competing for this building that has never been built. They came to ask me if the procedures they were following were the proper ones to maximize their chances of winning the bid.

I told them what was positive in their bids, in my judgment, and what was not positive. Eventually nobody won the bid because the building was never built.

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**COMMITTEES OF THE HOUSE**

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, after witnessing question period this week Canadians are now familiar with the government's public unity strategy. However, out of sight of the cameras the Liberals are practising a different strategy, namely appeasement through the election process at committees.

After 14 meetings this week it has become clear the Liberals have formed some sort of alliance with the Bloc in what can only be concluded is an effort to appease the party which would tear our country apart, in the vain hope that it will lead to unity in our time.

Will the government House leader bring forward a notice of motion to amend the standing orders to ensure the election of committee officers by secret ballot?

**The Speaker:** May I please suggest to hon. members that your Speaker is listening to virtually every word that is said in the questions.

• (1135)

Many times in the preambles, which if you will permit me to say are getting longer, it seems, you are leading to a point where we are in committees. When we get to the question it has to be quite precise.

I ask you, please do not put your Speaker in a position that I have to rule out of order before we get to the question. I would ask you to please consider those preambles because they are, for me at least here in the chair, somewhat misleading.

I will permit the question because the question is in order.

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, whatever happens in committee is the responsibility of members of the committee.

The member is also a member of the House procedure committee. If they wish to change the rules they can ask the member sitting in the committee to advance that proposition and the committee on House procedure will look into it.

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, we are not talking about internal committee procedures but the responsibility of the House with regard to House rules.

If we look at the figures of the 34th Parliament, the third party received no less than 11 vice-chairs or even chairs. It is hard to believe that the Mulroney Tories would have a greater sense of fair play than the Liberals, especially when the now minister of immigration said in 1987: "The secret ballot offers members of Parliament an opportunity to do what is right for this country"—

**The Speaker:** I ask the hon. member to put his question now.

**Mr. Ringma:** My question, Mr. Speaker, is again for the government House leader. Will he agree to introduce at least a resolution allowing for the election of committee officers by secret ballot during the life of this Parliament?

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, this is a matter for the House procedures committee.

The hon. member is a member of that committee. He should go to the committee of which he is a member and make that proposition.

\* \* \*

[*Translation*]

**OVERLAP AND DUPLICATION**

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, the chairman of the no committee, Daniel Johnson, stated in 1992: "Federalism is deeply flawed because of federal duplication, which is costing us a fortune. It is the main reason for the \$30 billion deficit". Yesterday, the Minister of Intergovernmental Affairs admitted that the Privy Council had conducted studies on duplication, which the government decided to keep confidential.

My question is for the Minister of Intergovernmental Affairs. Given the substantial waste linked to duplication, why does the government refuse to release these studies?



*Oral Questions*

**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 reason why I did not admit that we were conducting studies on duplication is because we are not. What I said is that we were doing analyses of the current situation and that the purpose of these analyses is to give advice to the decision makers, that is to say, the ministers.

I would point out to the opposition that similar analyses done for the Executive Council of the Quebec Government are not made public either, since they give confidential advice to the decision makers. There is an essential difference between such analyses, which are exempted under the Access to Information Act, and studies done by research institutes like the INRS, which are meant to be published so that the public can have a better idea of what independence would entail. That is something they are hiding, whereas we are not hiding what we have.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, we will get back to this on Monday but in the meantime I would like to ask the minister why he is being so secretive about studies showing the cost and extent of overlap and duplication, if not because they prove that the federal system simply does not work?

• (1140)

**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 will use the very figures quoted by the opposition. At one point during his debate with Daniel Johnson, Mr. Parizeau mentioned that duplication cost \$3 billion. He was contradicted by his own advisers, who said at the time that it may have amounted to \$250 million.

**Some hon. members:** That is wrong.

**Mr. Massé:** Mr. Parizeau quoted a \$30 billion figure in his studies, saying that duplication had led to a \$30 billion deficit. These figures are wrong and totally unbelievable. These figures have been refuted by many of the studies done by Mr. Le Hir and should not be used if the opposition wants to preserve a minimum of credibility.

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[English]

## HEALTH

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, my question is for the Minister of Health.

The minister continues to adhere to the myth that if medicare ain't broke don't fix it. Yet it is broken and there is a growing chorus from across Canada that wants a change to fix it. This chorus includes provincial governments and ministers of health

from across Canada, including British Columbia and Quebec. This chorus includes health care workers, including doctors and nurses and the public whose very lives may be at risk.

To date the minister has introduced only two pieces of legislation in the last two years in Ottawa. Will the minister be introducing any legislation to address this growing need, in fact the demand for change?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, to date the Canada Health Act has been extremely flexible in allowing for change within different provinces. To say that the system is broken is to exaggerate. I would rather say that the system needs changing. Technology is with us. I am working with the provinces and I will continue to work with them.

I think that the Canada Health Act, which works well for Canadians, should stay in place and continue to protect the rights of Canadians to first class medical care, regardless of whether they can afford to pay extra.

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, the minister's answer once again reflects a blindness to reality, to the facts.

Let me focus on the breakdown of the system. Two examples may suffice. In my home province of British Columbia it takes over seven weeks, almost two months, to get an appointment with a specialist. It takes 27 weeks on average to receive cardiovascular surgery, almost seven months.

When will the minister show that she values the well-being and the lives of Canadians above her blind loyalty to outdated legislation? When will the minister first admit and then act on an obviously unsustainable health care system?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, I am always a little surprised to hear members opposite say how things are in British Columbia. The officials and the minister of health for British Columbia are extremely supportive of the Canada Health Act.

They have brought in their own health act, which mirrors the principles of the Canada Health Act, to ensure that British Columbians will continue to have the best health care policies and the best health care programs available for them.

\* \* \*

[Translation]

## DUPLICATION AND OVERLAP

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. Last spring, the Minister of Intergovernmental Affairs justified a substantial increase in the Privy Council's budget by saying that this increase was intended for the most part to pay for studies to be conducted in order to reduce duplication and overlap.

*Oral Questions*

Could the minister tell us how many studies on duplication and overlap between Ottawa and the provinces have been conducted by the Privy Council since spring?

• (1145)

**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 have had my answers to the questions put to me in February dug out. What I said at the time is this: "We presently have action plans with eight provinces and two territories to reduce duplication. During the past year, we signed with the provinces and territories 64 agreements, which have been made public. We therefore have no objection to letting the opposition admire these fine pieces of work. Eight of these agreements were concluded with Quebec before September 12, 1994, and none since, obviously. We continue to use moneys in such a way as to reduce duplication and overlap. That is not just talk, that is what we are doing".

This was my answer. We use taxpayers' money to make the federal government more efficient. We do so in co-operation with the provinces when they want to co-operate, but since the Parti Québécois came into office, no co-operation has been forthcoming on its part and, unfortunately, it failed to help make services more efficient in the province.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, how does the minister explain that some studies conducted by the Privy Council, notably by Stéphane Dion, Lorne Nystrom, a candidate in the NDP leadership race, Michelle Tisseyre, a former Liberal candidate, and Maurice Pinard, a professor at McGill University, cannot be released as requested under the Access to Information Act?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Again, Mr. Speaker, at the meeting of the standing committee, I not only provided the complete list of those involved in making analyses, but I also explained what they had worked on.

Analyses were carried out for ministers to advise them on the current situation. Again, the opposition is trying not to shed light on the Le Hir studies because they were kept secret, but the Access to Information Act clearly states that analyses carried out for decision makers are confidential and therefore not covered by the act.

The opposition is trying to create a diversion to avoid disclosing that they themselves commissioned studies that were meant to be published, studies conducted by an institute in order to use its—and that is why the opposition—

[English]

**FINANCE**

**Mrs. Marlene Cowling (Dauphin—Swan River, Lib.):** Mr. Speaker, my question is for the Minister of Finance.

Canadians are concerned about the increasing amount of government debt held by foreign investors. In the 1995 budget the Minister of Finance indicated he would explore options to make Canada savings bonds more attractive. Can the minister tell us what he is doing to allow Canadians to get control of our foreign debt and what are those options?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the hon. member for Dauphin—Swan River has shown a great interest in this, so perhaps it is not entirely a coincidence that she would ask me this question on the day that I am announcing the 1995 issue of Canada savings bonds which will feature our new RRSP option.

**An hon. member:** Good timing.

**Mr. Martin (LaSalle—Émard):** Mr. Speaker, I congratulate her on what is undoubtedly a coincidence.

This new option will allow investors to register their Canada savings bonds directly in the form of an RRSP without needing a self-directed plan. There are no purchase fees. As well, the new bonds will have competitive interest rates guaranteed for the next three years and, if the occasion requires, if the interest rates will be increased.

[Translation]

The new issue will be released by Tuesday, October 10, and will be available until November 1. I strongly suggest that all members, particularly those across the floor, purchase these bonds.

\* \* \*

[English]

**FEDERAL—PROVINCIAL FISCAL ARRANGEMENTS**

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, yesterday the Prime Minister made passing reference to Albertans as being the fortunate fat cats of confederation; an attitude which led to the hated national energy program.

• (1150)

The Prime Minister should know that Albertans have contributed around \$140 billion to confederation over the last 30 years. Last year alone they contributed \$2 billion. Next year the government will transfer approximately \$475 million less to Alberta.

My question is for the Prime Minister. Is it right for the Government of Canada to significantly reduce funding for

programs that are the constitutional responsibility of the provinces, at the same time insisting on setting all the rules for the delivery of those programs?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we are still contributing a lot of money to those programs. It is the consensus in the House of Commons and in all the provinces, including a lot of the people living in Alberta, that medicare should be the same for the rich and the poor. That is clear in my mind.

I campaigned in Alberta for medicare and I will keep doing it because it is the one element in our social programs that the people believe in the most. They do not want to be subjected to the pressures that existed before: better services for the rich, second class services for the poor and the risk of losing everything when you are sick.

The best system is Canadian medicare. It is the same for the people of Alberta, the people of Newfoundland, Quebec, Ontario and British Columbia.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, the reality of the situation is he who pays the piper calls the tune.

At the recently concluded conference of health ministers, all of the provinces and their health ministers were on one side of the issue and the federal Minister of Health was on the other side. The provinces and all Canadians want to resolve this issue. The only consultation taking place between the federal government and the provinces has been a letter stating that October 15 is the deadline.

Will the Prime Minister instruct the Minister of Health to be flexible on the deadline so that the provinces and all of the stakeholders involved in health care and the delivery of health care, which is under serious pressure, are able to come around the table and solve the problem without artificially imposed deadlines?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the hon. member said all provincial ministers are in agreement to more or less dismantle medicare and that is not true. Yesterday the minister of health for Quebec said the universality we are proposing is the best. He said if you start to accept some private clinics, that is the crack in the dam and he was opposed to doing that.

Do not affirm that everybody is against the policy of the government. The great majority of provincial governments want to keep medicare as it is.

\* \* \*

[Translation]

#### PETRO-CANADA

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, Gordon Capital, the Toronto firm which employed the Prime Minister from 1986 to 1990, was appointed to head the trust responsible for liquidating the majority of the

#### Oral Questions

Petro-Canada shares held by the government. For its trouble, Gordon Capital and its associates will pocket commissions in excess of \$65 million, the highest amount ever paid in Canada for such a transaction.

My question is for the Prime Minister. Was the Prime Minister involved in any way, shape or form in the decision to appoint his former employer to head the coordinators responsible for the sale of Petro-Canada?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the Prime Minister was not involved in that decision, which was made following a recommendation by the Department of Finance and the Department of Energy. This was done following an open bid to most brokers in Canada, as well as in the United States, I might add.

I should mention that the commission was not high; in fact, it was one of the lowest ever paid for such a transaction in Canada. It is obvious why Gordon was involved. We had the option of either selling on the open market or of arranging a block purchase, and Gordon Capital happens to be an expert when it comes to block purchases.

• (1155)

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, after the blatant patronage in the case of Power DirecTv, the acquisition of MCA by Seagram and the Pearson airport deal, which is still under scrutiny, how can the Prime Minister explain the payment of tens of millions to his former employer?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the question is absolutely ridiculous and laughable. First, some 15 other firms in Canada were involved. It must be pointed out that the margin between Gordon and the others was one of the narrowest ever seen for this type of transaction.

In fact, the member should congratulate the government. That was the best privatization process ever accomplished by any western government.

\* \* \*

[English]

#### SEA KING HELICOPTERS

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, my question is for the Minister of National Defence. I have learned that a Sea King helicopter crashed Wednesday night in Piopolis, Quebec. The crash was due to a transmission failure.

I had trouble getting this information from the Department of National Defence. I wonder if the minister will confirm this incident and will he tell the House why it is a secret when one of our aging Sea King helicopters goes down?

*Routine Proceedings*

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, it is certainly not a secret. It is very unfortunate. The pilots felt as a result of a warning light coming on that indicated transmission trouble that they should make an emergency landing. That is quite publicly known. I cannot understand why the hon. member has had difficulty getting information on this.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, in my recent visit to Shearwater I found out that the Sea King helicopter requires 25 hours of maintenance for each one hour of flying time. This definitely speaks to the serious situation the Sea King is in right now.

I can make my supplementary question very simple and I would like to make it direct because the children serving our country are literally falling out of the sky. How many other crashes must there be before the government takes action to replace the Sea King?

**Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, we know very well these helicopters are old and we know very well the parliamentary committee of which the hon. member was a participant recommended they be replaced. This is a matter the government said was to be pursued in the white paper. On the other hand, it does not want us to spend money.

It is a matter for consideration. Since the armoured personnel carrier contract is now en route we will look at the helicopters. In the meantime these helicopters are certified to fly until the year 2000. They are perfectly safe. I have been on them many times. If the hon. member would like to go for a ride I would welcome giving him one.

\* \* \*

**COINAGE**

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, my question is directed to the Minister of Public Works and Government Services.

Yesterday we launched the \$2 coin. We also know the \$2 coin will cause some problems, some concerns, some inconvenience and also some expense to certain sectors of our economy. What is the minister prepared to do to minimize the problems for the new coin?

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.):** Mr. Speaker, I thank the hon. member for the unexpected but yet timely question relating to the \$2 coin.

The member is quite right. Yesterday we unveiled the design of the new \$2 coin which is a polar bear. Some of the young people have referred to it as “the bear”. We hope to be able to work with the various small and medium size businesses to make the transition as smooth as possible.

The rationale for the decision was a result of the budget of the Minister of Finance. It clearly set out that by changing from the \$2 note to the \$2 coin we will save the taxpayers of Canada in excess of \$250 million.

\* \* \*

**TOBACCO**

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

One year ago I tabled a petition that called for the government to regulate tobacco under the Hazardous Products Act. The minister’s response at that time was that tobacco could not be made safe and therefore could not come under that act.

Given the Supreme Court ruling, what are the government’s plans to amend or replace the Tobacco Products Control Act and to deal with the situation as a result of the Supreme Court ruling?

● (1200)

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, we will take guidance from the decision of the Supreme Court. It is absolutely essential.

We would rather not have to spend another seven years before the courts. That in effect is what has happened. We spent seven years and twenty-one days, to be exact.

It is very important, following the guidance of this decision, that we take the steps available to us and go as far as possible and as quickly as possible, because many people are dying as a direct result of tobacco products. We have to do everything in our power, especially to stop young people from starting up and having access to those tobacco products.

**ROUTINE PROCEEDINGS***[Translation]***GOVERNMENT RESPONSE TO PETITIONS**

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

[English]

## COMMITTEES OF THE HOUSE

### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 86th report of the Standing Committee on Procedure and House Affairs, regarding the associate membership of committees. If the House gives its consent, I intend to move concurrence in this report later this day.

Also, Mr. Speaker, I believe there will be unanimous consent for the following motion. I move:

That the following members be added to the list of associate members of the Standing Committee on Procedure and House Affairs: Mr. Assad, Mr. McGuire, Mr. Duhamel.

(Motion agreed to.)

[Translation]

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, if the House gives its consent, I propose, again seconded by the Chief Government Whip, that the 86th report of the Standing Committee on Procedure and House Affairs tabled in the House today be adopted.

(Motion agreed to.)

\* \* \*

[English]

## PETITIONS

### AGRICULTURE

**Mr. Rex Crawford (Kent, Lib.):** Mr. Speaker, I am honoured once again to rise in the House pursuant to Standing Order 36 and present a petition on behalf of my constituents, to be specific, the agricultural sector of my constituency, who are upset with the proposed closing of the agricultural employment services offices.

They are petitioning the government to review this and give consideration to not doing this, because it is against what was in the red book, which stated "Jobs, jobs, jobs". This is a branch funded by the government that is creating jobs. Without it, employment and employees in the agricultural sector will be hurt.

• (1205)

### GUN CONTROL

**Ms. Margaret Bridgman (Surrey North, Ref.):** Mr. Speaker, I am pleased to present three petitions to the House today from the residents of Surrey North and other residents of Canada.

The first two petitions draw to the attention of the House the inadequacy of Bill C-68, the proposed gun legislation, toward

## Government Orders

the solving of violent crime. These petitioners are requesting that Parliament call on the attorney general to bring in a bill that would address violent crime.

### AIRCRAFT MAINTENANCE ENGINEERS

**Ms. Margaret Bridgman (Surrey North, Ref.):** The third petition, Mr. Speaker, raises concern regarding the standards of training and education of aircraft maintenance engineers. These petitioners are praying that the minister would leave the existing legislation alone for the licensing of aircraft maintenance engineers.

[Translation]

### HUMAN RIGHTS

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, I have the pleasure of submitting a petition on behalf of the residents of Vancouver.

[English]

The petition concerns the issue of sexual orientation. The petitioners state that discrimination based on one's sexual orientation is real and hurtful and contravenes the Canadian charter, and further that all forms of families based on financial and emotional interdependency are meaningful and important to the social well-being of this country.

The petitioners therefore call on Parliament to amend all legislation that discriminates against homosexuals and to recognize all relationships of mutual love, support, and dependency.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

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

**The Deputy Speaker:** Shall all questions stand?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[English]

### MANGANESE BASED FUEL ADDITIVES ACT

The House resumed consideration of the motion that Bill C-94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, be read the second time and referred to a committee; and of the amendment.

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

*Private Members' Business*

**The Deputy Speaker:** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the amendment will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 45(6), the recorded division stands deferred until Monday, September 25, at the ordinary hour of adjournment.

**Mr. Milliken:** Mr. Speaker, I think you would find the consent of the House to call it 1.30 p.m.

**The Deputy Speaker:** Is there unanimous consent to call it 1.30 p.m.?

**Some hon. members:** Agreed.

[*Translation*]

**The Deputy Speaker:** The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[*Translation*]

### CANADA POST CORPORATION

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ)** moved:

That, in the opinion of this House, the government should ask Canada Post Corporation to integrate into its development plan a strategy promoting the local development of regions and municipalities in Quebec and Canada.

He said: Mr. Speaker, I find it very interesting to rise today in this House on this motion, especially as the minister responsible for Canada Post Corporation announced, a few weeks ago, that a committee would carry out an in depth review of the corporation.

• (1210)

A while ago, I presented the motion which is on today's Order Paper and through which I want the House to convey to this committee that, from now on, Canada Post Corporation should integrate into its development plan a strategy promoting the

local development of regions and municipalities in Quebec and Canada.

We must say that, in this area, things were not too great in the past.

Under the previous federal government, the reform of Canada Post Corporation was entirely and exclusively focused on cutting costs, regardless of the impact on the rural and urban communities affected by post office closures. I would even venture to say that this strategy was part of what brought down upon the government the wrath of the public and caused its demise in the fall of 1993.

I also believe that it resulted in the moratorium banning post office closures which has been in effect since the fall of 1993. However, to this day, the government has made no effort to correct past mistakes. Take, for instance, the village of Saint-Clément, in my riding, where the post office was closed against the will of 100 per cent of the population who clearly proved that it wanted and needed a post office. The previous government turned a deaf ear and so did the current one, arguing that the moratorium did not cover the previous government's mistakes, and that the case was closed.

Now it seems the review committee, which will examine the mandate of Canada Post Corporation, will be open to public complaints concerning postal services, so it is important that we give that committee the opportunity to hear the opinion of Quebecers and Canadians on the operations of the corporation and on its contribution to the local development in every region of the country.

Today, we can ask ourselves, as did the committee on rural development in Canada after a thorough examination of the post office issue: Is it possible to modernize Canada Post Corporation and prepare it for the twenty-first century? Could we not adopt a new approach, a new form of marketing for postal services and not a defensive attitude like the one which led to the closing of many post offices, not because the clientele was decreasing, but because the post master was retiring? Such measures were totally absurd and it was written quite clearly in the mandate of Canada Post Corporation. It caused some ludicrous situations. Today there are post masters in post offices where clients are few while certain very busy post offices have been closed.

So we really must seize this opportunity given us by the review committee soon to be created. I sincerely hope this committee will be in place very soon. It is important because we should be announcing next week that the review committee will be operational and will review all the issues concerning Canada Post Corporation.

Rural development is not the only issue, there are many other aspects but my motion deals precisely with the local development of rural regions.

*Private Members' Business*

I would like to give a very concrete example of that. In the riding of Rimouski—Témiscouata, the village of Saint-Honoré played the game and agreed, four or five years ago, to have its post office closed and the mandate given to a corner store owner.

This owner has now realized that this activity was not profitable at all and he wants to give up that responsibility. That village is now facing the situation where, in February 1996, it will not have any postal service, because the post office will have been closed and sold. With a short term vision, it was thought that giving the mandate to a corner store for a minimal amount was a good idea, but we now find ourselves in a very serious situation because, according to its current act, Canada Post Corporation is responsible for ensuring mail delivery all across Canada, which will not be done in that area.

• (1215)

There is no real solution on the table. In rural areas, there is often one corner store or one grocery store for every village or municipality, and there may not be much choice but to move the post office many kilometres away. It is not a very interesting prospect at all.

So I think it would be important to look at the postal service not only from a humane perspective—what the moratorium has achieved is very important and I think we must recognize the effect it has had—but also in terms of its future. Would it not be possible to compel Post Canada Corporation to say in its development plan what it intends to do in terms of the information highway, for instance, in our villages? Would it not be a good idea to have, in each of our municipalities, an information highway service point which could be used by the local population?

For example, I can see that in a farming area, where farmers need to know about the latest technology, programs, trade opportunities and information in the field. We may not have yet reached the stage where every farmer has access to the information highway. Canada Post could maybe run some pilot projects to ensure that our municipalities are cut off from the rest of society as little as possible.

Post offices could also provide a fax service. Not everyone can afford to pay \$100 or \$200 for a fax machine, least of all the people who do not use them very often. Let us take, for example, a senior citizen who suddenly runs into trouble with a department, because a technical document went missing. We cannot expect that citizen to have a fax machine at home, but we could provide such a service through the post offices. This could prove interesting.

Another interesting service the post offices could provide is access to the terminals of Human Resources Development Canada. We are not saying that we are against the current centralization of employment centres, but that is not the issue I

want to address because we do think that the centralization process is worthwhile. I think that when people are looking for jobs, they must be able to deal with persons.

However, if the workforce is maintained at its current level, we could add several service points to give access to a program the Department of Human Resources Development is already offering. In order to do so, Canada Post would have to say: "Because of our corporate image and because of the benefits this would entail for individual citizens, we would be ready, as a department, to sell you this equipment". Like they are doing actually. Right now, the installation of these terminals costs about \$5,000. Canada Post could buy quite a few of these terminals, even though it would mean that it would have to inject several million dollars in this project, but it would give all our citizens access to this information.

You have to remember that Human Resources Development Canada does not provide only job search programs. It also deals with our senior citizens and the pension systems. There is a lot of room for improvement in this area and I think Canada Post should be forced by this House, and by the committee considering this issue, to see that its business plan look at ways not only to provide postal services for less money, but also to do something to improve things at the information level.

Let me give you an example, Sweden has decided to decentralize the processing of income tax returns. Instead of having large processing centres clustered in a single region like we do in Canada, they can have income tax returns from one area processed at the other end of the country in a decentralized way, thanks to computer technology, so that, in every town, people can have a job and work without leaving their community. Thus, the nation's territory can be better used, and a fairer distribution of income is fostered.

I think it is much better to keep regions alive through job transfers than through transfer payments, and people could stay in their own communities. That kind of development is possible with a network like that of Canada Post.

Something else must be taken into account. We should avoid any unwarranted competition. Let me give an example. In my own riding, at the time of the year when income tax returns are processed, Canada Post came up with a pilot project that allowed a bank to sell RRSPs in a given town to residents of the area. That kind of competition was unwarranted because there was a caisse populaire in the town, and it had made investments in capital and salaries so that it could be located right on the spot year-round.

• (1220)

But the bank, thanks to a profitable contract, did not have to pay back the whole investment and did not have to contribute to rental costs of the place, at least not at 100 per cent. That was unfair competition. This should be looked into thoroughly.

*Private Members' Business*

I think we should also emphasize the need for public debate and hearings on this issue. Right now, a coalition of private couriers is making representations to have the Canada Post's mandate revised so that they can market their own services in densely populated areas like Montreal, Quebec City, Vancouver, Toronto and all cities with a large enough population. A private company might be able to provide services at a lower cost than the Canada Post Corporation.

The provision of these services must not result in a reduction of services in other regions. If Canada Post suddenly becomes responsible for providing postal services in sparsely populated areas and the private company gets to serve all the profitable areas, we will have an unacceptable situation which, in the medium term, will lead to the disappearance of postal services in many places.

I think that there is a need for public debate, for public hearings, and maybe that is what the Conservatives should have done first before carrying out their reform. They should have asked people what kind of postal services they wanted. It would help everybody understand what the real issues are. Closing a single post office may not look so tragic, but in our rural communities, given the way development is going, it is often a sign that other services are about to disappear, like the school and even the church.

We must find a way to ensure the development of those communities. There may have been some mistakes but, in general, people who founded parishes and helped them grow invested a lot of time and energy in those communities. We should ensure that, in the future, services will be maintained to promote the development, and not the disappearance, of local communities.

This seems important to me; it will be a golden opportunity to see how important the development of local communities is to the government. Is the government really willing to do something interesting in this area?

As a final argument, I will broach another aspect of this issue. In the partnership proposed to Quebecers in the referendum campaign, four or five priority areas are clearly mentioned, such as the monetary union, the movement of people as well as various areas in which there could be an agreement between governments, and Canada Post is one of those areas.

I think the committee that will be given responsibility for these studies, which will not be sitting tomorrow morning but probably after October 30, should plan to study this sort of situation so that, in the future as part of the cooperation to be established between Quebec and Canada after a yes, it is clear that there are advantages for both sides in agreeing and ensuring the service functions properly.

The entire network of post offices in Quebec and Canada has been paid for by all taxpayers, and will therefore form part of the debt allocation. This may be one of the issues we consider important, one that is included within the agreement, which makes provision very properly for a set of issues to be covered under the partnership, and this one strikes me as important.

• (1225)

In conclusion, the letter carrier unions, postmasters, rural communities and private messenger services are asking that this study be as public as possible, so we are sure we do not end up with a monopoly or making decisions that have an impact over a number of years in the future without the community being consulted. I think the public should be informed on this.

When Canada Post will be forced by Parliament to integrate into its development plan a strategy promoting the local development of regions and municipalities in Quebec and Canada, it will know that it is part of its mandate and it will be able to take it into account in its decisions and to avoid the mess of three or four years ago in this sector.

This will make it possible to correct at last significant errors that are still with us today, symbolic mistakes such as the decision concerning the Saint-Clément post office and the one concerning Saint-Honoré and other such examples throughout Quebec and Canada that I gave today. Canada Post must become a corporation that is as modern all over Quebec and Canada as it is in Ottawa where it gave itself great facilities. It is a corporation whose clients want to know what services they will get and how good these services will be. I believe that is part of the challenges Quebec and Canada will be facing in the 21st century. Let us seize this opportunity.

**Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the motion proposed by the member for Kamouraska—Rivière-du-Loup is rather strange. It reads:

That, in the opinion of this House, the government should ask Canada Post Corporation to integrate into its development plan a strategy promoting the local development of regions and municipalities in Quebec and Canada.

I say strange because Canada Post Corporation is already promoting the local development of regions and municipalities in Quebec and Canada. Canada Post is everywhere. For instance, there are now over 18,370 retail outlets where one can buy stamps and other products as well as postal services. In Quebec, there are 3,451 outlets. Over 75 per cent of these are presently owned by the private sector. Many of them are found in drugstores, convenience stores, etc. In fact, over 2,000 of these retail postal outlets are managed by small and medium businesses who gain not only from the revenues generated, but also from the increased flow of clients in their stores.



*Private Members' Business*

For the information of the members, I want to briefly recall the historical background of Canada Post Corporation. Organized postal services in Canada began in 1693, when the government of New France paid Pedro da Silva to take some letters from Montreal to Quebec. In 1755, the government opened the first post office in Halifax. The development of postal services followed that of the transportation network. Postal communications are closely linked with the history of Canada. For 300 years, postal communications helped Canadians keep in touch with each other, reduced distances and thus promoted the exchange of information and distribution of goods.

[English]

Today Canada Post Corporation delivers 46 million pieces of mail each business day, which are processed through 23 major mail plants and several other facilities, to nearly 12.3 million addresses in Canada, and forwards mail to virtually every country in the world. Clearly what we see is Canada Post contributing to a fundamental part of Canadian life.

• (1230)

In June of 1994 the Canada Post Corporation declared that the new corporation is in business to serve. This is no mere slogan. Canada Post has established it as a new way of life. It is a philosophy the corporation wants to permeate every decision it makes at every level. CPC is transforming itself from an operations based organization asking the customers to meet its requirements to one that will go the extra mile to satisfy customers and meet their needs.

[Translation]

This motion addresses development. The Canada Post Corporation knows a good deal about development. This past year CPC has focussed particular attention on improving and expanding its services to small business. It is aware of just how important small and medium size businesses are to the economic growth of the country. The central focus of its new approach is a program of services to business. It now has two business centres, one in Calgary and one in London. These are one stop resource centres, where customers can obtain a variety of information on postal products and services, and Canada Post staff can help businesses to expand by providing owners with a full range of communications and distribution solutions.

Another example of Canada Post Corporation's commitment to small and medium size business is the fact that it has made preferential rates available to small volume mailers—some members may be aware that special rates were, until very recently, reserved in theory for those with a heavy volume of mail. That is what I call development.

[English]

Canada Post is a dynamic commercial crown corporation which competes with the open market throughout Canada. Due to this dynamism, Canada Post's competitors, for example the Canadian Courier Association, have frequently charged Canada Post with unfair business practices. Why? It is simple: they cannot compete.

The allegations of cross subsidization are not true, and some recent media reports have even supported the association's proposal that a federal regulatory body be established to oversee the operations of Canada Post. However, hon. members should know that independent quasi-judicial bodies have examined the charges, and the charges of cross subsidization cannot be sustained, whether they are aimed at Canada Post's priority courier service or at the corporation's purchase of a controlling interest in Purolator courier.

The CCA has never produced any evidence to support its cross subsidization allegations. The Standing Committee on Government Operations, the Bureau of Competition Policy and the National Transportation Agency have all examined the issue. They have never been substantiated. With regard to Canada Post's purchase of Purolator courier, in which no public funding was involved, the director of the competition bureau concluded in November 1993 that "there are no grounds at this time to believe that cross subsidization has occurred or would occur post-merger with Purolator, which would likely result in a substantial lessening or prevention of competition in the marketplace".

[Translation]

The CCA claims Canada Post Corporation is in unfair competition with CCA members, through a monopoly on what it calls a considerable portion of its business. But it is more than one hundred years since Parliament enacted legislation assigning this exclusive privilege in order to guarantee all Canadians will pay the same prices to have a letter delivered within the country. Canada Post is in business to serve all Canadians and exclusive privilege is the only way Parliament could guarantee all citizens access to universal postal service from coast to coast.

The independent review concluded that Canada Post is not abusing that exclusive privilege. Is the CCA implying that Parliament erred when it gave a monopoly to this fundamental element of Canadian life?

• (1235)

[English]

Some may question Canada Post's ability to survive in the age of the information highway. The corporation is quite aware that the evolution of new communications technologies such as E-mail, facsimile, data transmissions, and electronic funds transfers will impact the outlook of Canada Post's traditional mail services.

*Private Members' Business*

The postal service recognizes the move toward electronic transmission of information and it has developed a number of value added electronic services, which combined with an unmatched infrastructure will allow the corporation to provide all Canadians with the services they will need as Canada heads into the 21st century.

The corporation is no stranger to technological developments in the communications industry. Canada Post has been involved for years in electronic messaging and it continues to develop new services for the future.

[Translation]

The motion before the House today asks Canada Post Corporation to promote local development. I know of no better way to do this than through the literacy campaign. Canada Post works closely with literacy groups throughout Canada. It launched a reading game to encourage reading among school children. This game is now part of the curriculum in Newfoundland and New Brunswick, and in Winnipeg. It developed a series of videos to raise motivation and awareness.

[English]

The Canada Post Corporation does not need to further, through more regulations, a strategy promoting the local development of regions and municipalities in Quebec and Canada. Why not? It is simple: it has already done so.

Canada Post recognizes that it plays an important role in the social and economic fabric of Canadian life. Although the member for Kamouraska—Rivière-du-Loup is well intentioned, I cannot support the motion that is before the House.

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, I am pleased to address the motion put forward by the member from the Bloc regarding Canada Post.

Motion 403 proposes the government ask Canada Post Corporation to integrate into its development plan a strategy promoting the local development of regions and municipalities in Quebec and in Canada. I have several concerns regarding this motion.

The first issue that needs to be addressed is the wording of the motion, as I find it quite confusing. This motion addresses Quebec and Canada separately, which does not make sense when Quebec is a province within Canada. I fully recognize that we are facing a referendum in Quebec regarding separation. However, the last time I checked Quebec was still a part of Canada. Perhaps legislative counsel could iron out this obvious oversight and clarify the wording so that it simply refers to Canada. Then all provinces will be included using that definition.

Besides the wording of the motion, it is somewhat confusing as to why this motion is being proposed by a separatist in the first place. Canada Post is a Canadian corporation set up to serve Canadians. If the member is so keen on pushing the separatist agenda, why the interest in a Canadian crown corporation? The member simply cannot have it both ways. Surely he does not expect to separate from Canada and then take the crown corporation with him. A separate Quebec will obviously run its own postal system, not one subsidized by the rest of Canada. Canada Post serves Canada, and that includes all the provinces within its borders, nothing more and nothing less.

I also have problems with the fundamental intent of this motion, which suggests that Canada Post be used to prop up declining regions and municipalities. Given that Canada Post is a money losing venture, how does the member propose that it be used to build municipalities and regions? It does not make any sense.

Canada Post's mandate is to best serve the postal needs of Canadians. Getting a letter quickly and as inexpensively as possible from one area of the country to the other should be the primary concern.

• (1240)

Canada Post is a basic service and must fulfil its role as independently as possible, without reliance on government subsidies or unwanted interference.

In 1981 Canada Post Corporation was created and given a mandate that included achieving self-sufficiency while acting at arm's length from the government. At that time Canada Post faced economic uncertainty and was losing \$600 million a year. Canada Post has turned its business around in the last 12 years, but there is still plenty of work to be done.

This past year Canada Post lost \$70 million, the third loss in five years. Canada Post was forced to increase its stamp price by two cents this year because it claimed to be in such financial trouble. Given that Canada Post is running a deficit, the corporation needs to focus its energy as much as possible on its basic mandate: delivering mail quickly and at the lowest cost.

If Canada Post cannot run its own business, how can we expect it to promote regional development? This smacks of old style, pork barrel politics: full speed ahead and to heck with the costs.

It is fundamental that post offices must be established on a basis of need for service. Location should be selected on the basis of where they will best meet the needs of the local residents, not for buying votes from a town or rewarding political supporters. Regional development ideas went down with the *Titanic*, so why are we trying to refloat them here? With any crown corporation, taxpayers need to know that they are getting their money's worth. They want good service and fair prices, not another bloated bureaucracy with a fuzzy mandate incorporating regional development.

We know we have problems with our crown corporations. Canadians need to be assured that their tax dollars are being spent wisely. They want an open, efficient postal system, because Canadians are frustrated with poorly run corporations that ignore their primary role.

A point that particularly frustrates me with current legislation is that I cannot go back to my constituents with any assurances because crown corporations like Canada Post are exempt from access to information inquiries. Why is it that when crown corporations are supported by taxpayers they are at the same time protected by a cloak of secrecy that cannot be accessed under freedom of information? Canada Post has a monopoly on mail delivery, but it refuses to open its books to the public for fear of competition.

Questions have been raised again and again regarding Canada Post competition against other courier services. The Canadian Courier Association has accused Canada Post of using its exclusive mail revenues to subsidize its courier services, yet we cannot find out the answer because the corporation is protected from access to information. Business is complaining that Canada Post has an unfair advantage with its courier services and that they are forcing private enterprise out of business. However, the real story never sees the light of day because the answers are hidden behind this shield of secrecy.

Canada Post claims to have had an independent study done by KPMG to review the matter. Where is the study? We have not seen it. Canada Post refuses to release it. Canada Post protection from public scrutiny only raises more questions.

Questions have been raised about Canada Post's granting of contracts. Bidding for advertising mail services, for example, is obscured and potential bid players are raising questions about the procedures for bidding for services. For example, if a bidder has tendered the lowest bid he or she may not get the contract. The reasons for choosing one bidder over another are completely obscured and there is no way for an individual to find out where their bid sat compared to the others. Exemption from access to information prevents individuals from reviewing the results of any particular contract.

Given that the post office monopoly is under the umbrella of the patronage king himself, the public works minister, it is high time that Canadians were allowed to look into the books and practices of Canada Post. Already we have caught the minister responsible for this crown corporation with his hands in the cookie jar, handing out post office leases to his political supporters in Nova Scotia.

### *Private Members' Business*

• (1245 )

How many other instances of political patronage are there wrapped up in this corporation? Canadians want to know. It is high time the government came clean and put an end to the old style practices within our crown corporations.

Canada Post, like all crown corporations and government agencies, must be accountable. That is first and foremost. Services need to be protected and functions run as cost effectively as possible with the least likelihood of incurring public debt.

The government should move Canada Post out of the subsidized role of courier service and ad mail delivery and limit it to what it was designed to do in the first place, pick up and deliver mail.

I cannot support the motion to allow Canada Post to become involved in regional development because it would be a poor business decision and is simply contrary to the primary role of Canada Post.

[*Translation*]

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, I welcome this opportunity to speak to the motion moved by my colleague that the Canada Post Corporation include in its strategic development plans a local development perspective.

We have so often seen the negative impact that closing post offices has had on small communities in Quebec and Canada. The present government is very much aware of this and a few months ago, asked the Canada Post Corporation to set a moratorium on closing post offices in rural areas.

Considering the role played by the Canada Post Corporation in these small communities, I think it was a wise move on the part of the government and, furthermore, I think the Canada Post Corporation's review committee, to be appointed by the corporation, would do well and, in fact, should ensure that the corporation's development plans include a special focus on the development of local communities and that postal services continue to play the role they had played so far in these communities.

After expressing my support for this motion, I think I should comment on what was said by my two colleagues, the Liberal member and the member for the Reform Party. I think it is a good indication of the present situation in Canada and the problems we have.

First the hon. member for the Liberal Party said everything is fine at the Canada Post Corporation. The corporation is streamlining its operations, making a profit and introducing a number of programs, including literacy programs which, as far as I can see, would be used by the Canada Post Corporation to develop local communities. It is not quite enough in my view./3

*Private Members' Business*

We then heard the hon. member for the Reform Party launch his party's customary attack on crown corporations, government services in general. According to him, the Canada Post Corporation's sole responsibility is to deliver the mail. Whether this is done by the Canada Post Corporation, a private corporation, an American corporation or whoever, the only responsibility of Canada Post is to deliver the mail.

This attitude has become increasingly widespread in this country, and I think it has a destabilizing influence on Canada as a country and on Quebec as the country I hope it will become. We can draw a parallel with what happened to the railways.

The railroads, which were among the major institutions of this country, have been abandoned. They did not believe in railroads, they invested in transportation companies, which were allowed to use heavier trucks that were then subjected to fewer inspections, hence the increase in the number of accidents and in the level of danger on our highways. In some areas of Canada, highways have been almost completely destroyed because they are now used to carry loads which ought to be moved by rail.

• (1250)

Meanwhile, the rail system is being dismantled. There is also the whole issue of telecommunications. We see in Quebec, and I believe it is also the case in Ontario, very serious problems caused by the fact that Bell Canada is presently restructuring its services on the basis of new technologies and a new personnel management policy.

This company is cutting jobs in order to withstand competition. This situation was caused by the fact that two or three years ago the CRTC allowed American companies, and I underline it did so despite opposition from Quebec, to compete with Bell Canada here in Canada. As a result, one of the most profitable companies in Canada, one with annual profits in the order of \$900 million, or nearly \$1 billion, was forced to compete by adopting its competitors' methods, including new technologies, lower prices and layoffs. In Quebec, this represents 4,000 out of 10,000 jobs.

This company, which made an important contribution to the political and economic life of Canada and Quebec, is currently being restructured. In addition to CN, Canada Post and telecommunications, our friends in the Reform Party are talking about privatizing hospitals. There is also talk about privatizing prisons in New Brunswick. If we go on like this, we will eventually find ourselves with a territorial entity called Canada, where there will be no government services, where the law of the jungle will prevail, where a bunch of small companies will compete without taking national imperatives into account in their business strategies.

A country, be it Canada or Quebec, cannot simply set its sights on globalization and set competition and the lowest costs as its goals. History shows that a country is created out of a sense of solidarity, a sense of nationhood. What is being shown here in this House, especially by our Reform colleagues, is that we are altering this concept of nationhood, of government services that has evolved over the centuries.

I think that by focussing on short term profits we are dismantling democratic countries, bona fide countries which made sure they could provide services to people and settle their land. I think that many of our fellow citizens, in Quebec and my region in particular, are becoming aware of this ill effect of new political ideas that came out of the blue in the early 70s. I think that in striving to restructure certain processes and change the way we do things as nations we are in fact destroying our countries.

I think that we will have to pay close attention to all this dismantling in our regions. Last week-end, more than 700 people gathered in my region. These municipal council members and representatives from various organizations were attending a general assembly to let people know that we want to continue to exist as a region. It is not true that our region will be shut down just because some banker, business leader or finance minister got the notion that we are no longer profitable.

We have settled this area. We have built communities and we want these communities to continue to exist. At a time when new ways of doing things are promoted, we can do as fine a job in Jonquière as in Montreal running a company or establishing a telephone service with real people to man the phones. I believe things can be done just as well in Montreal, Toronto, Jonquière, Chicoutimi or Roberval.

• (1255)

Citizens are realizing that, under the guise of putting into practice economic theories the fruits of which have never been reaped by the population, the structure of the country is being pulled apart to the extent that we no longer form communities, we no longer are citizens of a country; we have become mere consumers and investors.

I believe we must rise slightly above this vision of life and we, in this House, must look at things from a loftier plane and be able to tell our fellow citizens that we are heading in a direction that will ultimately transform us into vibrant countries, be it Canada or Quebec, which will be increasingly prosperous and fair with their citizens.

**Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.):** Mr. Speaker, I listened with great interest to the motion of our Bloc Québécois colleague concerning the preservation of postal services in the regions.

I believe the government of Canada has reacted very well since the Liberals took office. It declared a moratorium on local post office closures. Of course, this applies to Quebec as well as to the rest of Canada.

What I found particularly interesting, in the motion as well as in the comments of the member for Kamouraska—Rivière-du-Loup, is that he seems to recognize the important role the federal government has to play in regional economic development. When listening to the speeches of these sovereignists, I felt that these unique centres of Canadian visibility had to be preserved in small communities all over the vast regions of Quebec. I thought it was a bit odd to hear these people say, on the one hand, that Canada does not work and that the only way Quebec can get whatever it deserves is by separating but then, on the other hand, that this House should maintain postal services as they are. This is very interesting. I feel it emphasizes how important the role of the federal government is and how much the Canadian government is welcome in what we call remote areas, in rural areas of Canada.

I think we are about to reach a turning point in our history, not on a political level, because Quebec still wants to be part of the Canadian federation, but on an administrative level, if you wish, for postal services in Canada.

During the last few years, we have seen the emergence of computers, modems, fax machines, and a whole new telecommunications technology. Thanks to all kinds of technologies, regions and above all the self-employed workers of these regions will be able to better communicate with the outside world.

Quebec does not need sovereignty, separation or independence to develop its rural regions. Services are in place, we have offices and the expertise necessary to meet the needs of the population, the business people and the students, to help them in their regional economic development projects.

For the last 30 years, Quebecers, especially in the rural regions, where I come from, have always asked for further decentralization of federal government services and especially of provincial services.

Nevertheless, I must tell you this. Nothing prevents the province or the federal government, as things now stand, from decentralizing services. Obviously, 30 years ago, it was impossible to do that, for the simple reason that the new technologies did not exist in 1960.

• (1300)

Governments, businesses and social services in Quebec, particularly in remote areas, will be able to create some form of partnership and set up service points to serve local communities. If I understand the logic of the Bloc Québécois, of the separatists, these service points designed to promote regional

### *Private Members' Business*

economy should naturally be located in the post offices of the Canadian government.

It is quite something to hear the opposition say that the regions have a future, provided that post offices remain open in small communities throughout Quebec and Canada.

We could do more. We have other departments. For example, the department responsible for science and technology recently announced a new service designed to make Internet more accessible to Canadians.

Last April, in Carleton-sur-Mer, in my riding of Bonaventure, I held an information session with officials of Science and Technology Canada, in co-operation with Québec Téléphone, as well as various other people involved in the region's socio-economic development. We came to the conclusion that, for example, the federal government has the means and the programs to establish this Internet network throughout Quebec.

Unfortunately, few municipalities and provincial organizations answered the call. This is sad. We have the tools and the moneys to create this new synergy and promote regional economic development.

Efforts are being made and we must forge ahead and find partners. Above all, we must convince school boards. We must convince CEGEPs, hospitals, as well as social services of all kinds, particularly those which fall under provincial jurisdiction, so as to ensure a better partnership and set up new ways of communicating with the rest of the world.

I believe that regions in Quebec and in Canada will prosper thanks to new technologies. It would certainly be possible to establish videoconference centres in those Canada Post buildings in order to give residents of those regions an opportunity to take courses or to communicate with people outside Canada.

I think that Canada Post has a new social role on top of its economic role. It must discover new technologies and encourage people to use those technologies in order to take care of their own economic development at the local level.

The Canadian postal service has quite a history. As mentioned by the parliamentary secretary a few moments ago, I think that the postal service has played a glorious role in Canada over the last 300 years. Now, because of the new technology and because of the reality of today's world, we have to find different markets for our products and different ways to provide our services. I think that our postal service is a bit like the PTT in France, which offers a wide range of services to its clients.

Today's clients are not necessarily in office buildings in Montreal or in other large cities. Teleworking is becoming more and more popular. For example, there is a new trend emerging in the United States where people are leaving the cities and even the suburbs for small communities of 1,000 residents or less.

*Private Members' Business*

• (1305)

With today's technology, it is possible for, let us say, a translator—or an engineer, an architect, etc.—to work out of a small community somewhere in Quebec. These are educated people who often come from remote areas themselves. If they are willing to go back to those regions, we have to ensure the presence of the federal government and its many services.

I see that we are running out of time, but I must tell you that I am very happy to hear the Bloc Québécois say that this basic service provided by the government of Canada is still welcome in the regions and also that we must maintain this federal service to have an even more glorious future.

[*English*]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I will not take much time, but I will make a few comments about Canada Post.

I congratulate you, Mr. Speaker, as being one of the Liberal members of Parliament who withdrew from the MP pension plan. You are to be acknowledged for that effort on behalf of Canadian taxpayers. You certainly have my personal congratulations as another MP who absented himself from the MP pension plan. We are in different parties but we share a kinship in opting out of the MP pension plan.

I find it really strange, really odd that there is a private members' motion before the House from a separatist suggesting that we somehow change a federal crown corporation. That is an irony and a bit of hypocrisy, if I am allowed to say that.

Twenty-five per cent of the population of Canada resides in the province of Quebec. If this member were a member in a separate Quebec, would he be putting forward such a motion to use the postal service of Quebec, a separate entity, for municipal development within his province? I suspect that his motives are not entirely pure and noble in putting the motion before us today.

I believe Canada Post should be put to more public scrutiny and exposed to competition.

I have been approached by many competitors of Canada Post who would like to get into the flyer business but find they cannot compete with Canada Post, not because they are not competitive but because Canada Post is subsidizing third class mail with first class delivery.

In New Zealand the first class postal rates have decreased and we have seen our rates go up. I believe the motive is to put competitors out of business. That is wrong and Canada Post should be scrutinized for the effort to squelch the competition unfairly.

[*Translation*]

**The Deputy Speaker:** The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

\* \* \*

[*English*]

**RESIGNATION OF MEMBER**

**The Deputy Speaker:** This is a matter of importance. It is my duty to inform the House that a vacancy has occurred in the representation, namely, Mr. Rompkey, member for the electoral district of Labrador, by resignation effective September 21, 1995.

[*Translation*]

Pursuant to subsection 25(1)(b) of the Parliament of Canada Act, a warrant has been addressed to the Chief Electoral Officer for the issue of a writ for the election of a member to fill this vacancy.

[*English*]

It being 1.10 p.m., the House stands adjourned until Monday next at 11 a.m.

(The House adjourned at 1.10 p.m.)

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