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Tuesday, October 17, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, October 17, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[English]

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 three petitions.

* * *

[Translation]

INTERPARLIAMENTARY DELEGATION

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I have the honour to present, in English and in French, the report of the 6th annual meeting of the Canada-Japan interparliamentary group, held in Tokyo and Osaka from September 9 to 16, 1995.

[English]

Japan is Canada's largest trading partner after the United States. The volume of trade has more than doubled since 1985 and is increasingly diversified in composition.

In 1994 Canada's exports to Japan rose 13 per cent to \$9.5 billion, resulting in an increase of over \$1 billion for the second year in a row.

Ignoring the impact of liberalized Japanese markets and increased Canadian competitiveness, projected exports from Canada to Japan will climb to \$14 billion in the year 2002, which is 80 per cent greater than 1993 levels.

(1005)

While in Japan, members of the delegation were able to express Canadian concerns and promote Canadian excellence with our Japanese counterparts. This will help ensure a growing

Canadian presence in the Japanese market and allow us to work with our business communities in encouraging increased commercial activity with Japan.

* * *

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you might find unanimous consent for a House order along the following lines:

That today the first item of business on Government Orders be resumption of debate at third reading of Bill C-64, an act respecting employment equity, and that at the conclusion of two hours of debate, or at such earlier time as no one rises to speak, the question shall be deemed to have been put, a division deemed demanded and the vote deferred until 5 p.m. this day, provided that no amendment to the motion for third reading shall be received by the Chair during such extended debate.

(Motion agreed to.)

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PETITIONS

BOVINE SOMATOTROPIN

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, I have two petitions to present this morning. I am pleased to do so on behalf of many constituents of Regina—Lumsden as well as the surrounding area.

The first petition is signed by a number of people who are concerned about the approval of a synthetic bovine growth hormone, known as BGH or BST, a drug injected into cows to increase milk production.

These signators call on Parliament to take steps to keep BGH out of Canada through legislating a moratorium or stoppage on BGH use and sale until the year 2000 and examining the outstanding health and economic questions through an independent and transparent review.

THE SENATE

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, pursuant to Standing Order 36, I have another petition concerning the Senate of Canada. It is signed by many constituents of Regina—Lumsden and other parts of Saskatchewan. The petitioners are quite concerned about taxpayers' money being spent on the Senate, an unelected, unaccountable institution which is costing Canadians over \$54 million a year.

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They request Parliament urge the government to abolish the Senate, which would save taxpayers this money and eliminate a body which is in essence useless for Canadians.

GOVERNMENT CONTRACTS

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present a petition today with 26 names. The petition arises from proposals coming before the Department of National Defence to change the tendering process. Its signators believe the process we have now is fair and equitable and serves all moving vans appropriately.

The petitioners call on Parliament to resolve the situation and to veto any proposed change to the present tendering process of the Department of National Defence and to support the present system of tendering moving processes for all military personnel.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

EMPLOYMENT EQUITY ACT

The House resumed from October 16 consideration of the motion that Bill C-64, an act respecting employment equity, be read the third time and passed.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, millions of Canadian workers experience barriers preventing them from participating as fully as possible in the labour market. For example, many women continue to be ghettoized in low paying and part time work. In spite of that fact, in 1990 women obtained 55 per cent of university bachelor degrees.

Unjust hiring criteria, attitudinal barriers and uneven training and promotion practices still prevent women, as well as persons with disabilities, aboriginal people and members of visible minorities, from achieving equality in the workplace.

(1010)

In light of these facts there can be no doubt in anyone's mind that employment equity is not only a good thing, it is a necessary

thing. Good business practice would require that companies do something to improve access to world markets. Members of ethnocultural communities, with insider cultural linguistic knowledge as well as contacts with their country of origin, can play a key role in penetrating new markets. They are a rich resource in the workplace environment.

It is puzzling to me how the Reform Party can fail to see the desirability of the bill now before the House. My colleagues on the opposite side of the Chamber seem frozen in time. I have news for them, the past cannot be resuscitated. The 1950s are over.

We live in a radically restructured working world, different from anything that has gone before. Rapidly changing technologies and failing trade barriers are globalizing the economy, challenging us to become more competitive.

Canada's export driven economy is heavily dependent on foreign sales. Expansion into emerging markets, most notably in Latin America and Asia, will change even further our economic reality.

This greater interdependence poses new challenges. It means that our business organizations must be able to understand the culture and outlook of our new consumers.

Another fact of Canadian life is Canada's evolution as a technology based society. Knowledge is key to Canada's future prosperity and our human resources are our greatest asset.

Consequently, policies that develop our human capital are pivotal to our ability to compete. As everyone can see, employment equity is nothing to be feared or shunned. It is a policy that permits our society to move forward and to take into account the talents and potential of all our citizens.

It is no surprise that Canadian companies with experience in employment equity are often the strongest supporters of this legislation. They have seen firsthand how employment equity programs bring them numerous benefits. By having a fair and efficient human resources development strategy and a very efficient environment, employers have a chance to access a broader set of skills, a base of skills that makes their companies more productive. By improving the workplace they stabilize their workforce, boost employer's morale and increase productivity. They also enhance their corporate image in the community at large.

Employers cannot afford to exclude a wide segment of qualified individuals if they want to survive and succeed in the global economy. Private sector companies, and among them most progressive business leaders, have long appreciated the added value of employment equity.

Our challenge in the workplace is to accommodate the different needs of our diverse workforce and to demonstrate flexibility. These initiatives are in no way a threat to other Canadians.

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Bill C-64 is not about hurting the chances of white males to earn a living and pursue a career. It is about creating real equality of opportunity in the federal government, in the federally regulated private sector and among federal contractors. It recognizes that making overt discrimination illegal and unacceptable in society was a critical step to that goal.

The next step is for employers and society to find and break down the hidden barriers that discourage people from applying for jobs or that keep them in certain occupational ghettos.

Bill C-64 ensures that employers look at their workforce and their employment practices thoroughly in order to identify and remove barriers. They then set targets for hiring and promotion that create greater access for qualified people. With the proper tools and strategy they will achieve these results.

Far from taking anything away from anyone, employment equity offers something of value to everyone. It permits employers to build greater trust and dialogue with all their employees and unions moving forward from awareness to action.

The Reform minority report shows little appreciation of this potential for creating a more level playing field for all Canadians. Instead, it offers a narrow view of discrimination and exotic examples of university admission policies, most of which are not even Canadian.

(1015)

The existence of systemic discrimination does not seem to trouble the Reform Party. It boldly proclaims that Canadian employers do not discriminate on a systemic basis. Contrary to what the Reform Party members say with their usual confidence, systemic discrimination unfortunately is still very much part of our daily life. It continues to exist because organizations hold on to workplace practices that place barriers in front of certain people.

Many companies and organizations inspired by the act have chosen to eliminate barriers. The Royal Bank worked with aboriginal Canadians to improve the interviewing process. In a report issued by the Royal Bank it shared some of its philosophy with regard to its activities: "With a labour shortage predicted in the future and a more diverse population, it is very important to get off the mark quickly, before the labour crunch hits. Serving a diverse group of clients well means having a representative workforce".

The Royal Bank's example and that of other organizations is precisely the approach taken by the federal government with Bill C-64. Far from dividing people, employment equity helps us to forge a fairer future and build a better country. It is not about guilt and punishment, nor is it about tearing down merit based hiring systems so as to hire the unqualified. The bill actually forbids quotas. It states specifically that employers do

not have to hire unqualified workers. The merit principle is only enhanced by this legislation.

When we eliminate irrelevant criteria for hiring, does that not strengthen the merit principle even further? When we ensure that more people have more chances to apply for a job or get suitable training, does that not strengthen the merit principle even further?

Bill C-64 makes merit work. It opens doors to opportunity that have been closed for far too long. The fact that designated groups are under-represented and concentrated in lower paying jobs is a reality the Reform Party just does not understand. These groups have historically had higher unemployment rates and lower average salaries. They have also tended to be concentrated in a few occupational groups.

If Canadians were to accept the Reform Party's stand on this issue, they would also have to accept the fact that somehow women, aboriginal Canadians, visible minorities and disabled Canadians choose lower salaries and higher unemployment rates. We know and Canadians know that aboriginal Canadians, visible minorities and designated groups want good jobs and good salaries like the rest of Canadians. The Reform Party wants us to believe that those individuals love to be ghettoized in low paying jobs, that they love high unemployment. That is not the fact.

The reality is quite simple. We can look at our society in a very simple way or we can try to break down the barriers that have left some people unfortunately in situations Reform Party members certainly would not want to be in themselves. That shows the hypocrisy of the Reform Party.

(1020)

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I appreciate the opportunity to speak on Bill C-64 today.

The government likes to talk about Bill C-64 in terms of employment equity and it shudders when the terms affirmative action or quotas are used. The reality is the bill is exactly about quotas and affirmative action. What else can it be when numerical targets are provided, employers are required by law to attain those targets, and those who fail to do so are subject to significant fines? This legislation is about quotas, pure and simple, and it is wrong, pure and simple.

The entire premise of Bill C-64 is built on the concept of correcting historical wrongs. There was discrimination in Canada's past. I will use women in the RCMP as an example. Women were not allowed to join the RCMP as regular employees until 1974. That was discriminatory. Women who were born prior to the 1940s were discriminated against because they were denied the opportunity to apply to become regular members of the RCMP. However, for the past 21 years women have had the opportunity to apply for positions. There have been successes

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and failures. Now we are starting to see women cracking the commissioned officer ranks of the force.

If nature were allowed to take its course, over time we would see the numbers in the RCMP change dramatically, as all those males retire who were hired under a men only policy. This is not good enough for the government, as it wants to legislate the ratios immediately. It does not take into consideration the fact that fewer women than men are likely to see police work as a desirable occupation.

The reality of police work is that it is a dangerous job. People shoot at you, punch you in the face and fight you when you try to arrest them. For some strange reason this does not have a lot of appeal for many women. I do not know why that is. The way I look at it, if you are going to spend your Friday nights fighting drunks you might as well get paid for it, but that is another matter.

The reality is that since the pool of male applicants for police work is significantly larger than the pool of female applicants, it is not surprising there are more qualified men than women applying for those jobs. That is not to say there will not be a significant female presence on any police force that hires solely on the merit principle. I have absolutely no doubt that the top female recruits compare favourably with the top male recruits. However, this bill ignores the principle of hiring based on merit. We will have a situation where the RCMP will be hiring some female applicants who are less qualified than some male applicants, who will not be hired because of this legislation.

The government says that this discrimination is justified. When we look carefully, we will have a system whereby females will receive a special advantage because their mothers were discriminated against. At the same time, the government will endorse state sponsored discrimination against males because their fathers had an unfair advantage over 20 years ago. I guess this all makes sense to the government, but it sure does not give me any positive feeling. The convoluted logic behind this argument is surprising, to say the least.

I ask the government, when has one form of discrimination ever righted any wrongs created by a different form of discrimination? People are already being hurt by employment equity programs, and this bill is going to make it worse. I have met a number of young men who want to become police officers. They have degrees in criminology and they meet all the other criteria. However, when they happen to be white males not only can they not get hired, but they have been told they should not even waste their time applying for the position. These men have never received any specific advantages because they are white males, yet this government believes they must be punished because at some point in time white males did receive unfair advantage.

Perhaps these young men should be instructed to turn their career sights to the nursing profession. Here is an occupation that has been traditionally staffed by a disproportionate number of females, so with the new employment equity legislation many more men will be hired for this profession because of their under-representation. Right? Wrong. Since men do not qualify as one of the designated groups, they do not rate protection under Bill C-64. Despite the fact that men have traditionally been under-represented in the nursing profession, just as females have traditionally been under-represented in the policing profession, this bill works only in one direction, and that is in itself discriminatory.

(1025)

Is that not what Bill C-64 is all about, the creation of state sponsored discrimination? Let us treat people differently because of their gender or their race. Let us punish young white males today because their fathers may have received special and unfair advantages decades ago.

We all know that it is easy to pass legislation due to which other people are expected to make sacrifices but not the lawmakers. That was quite apparent when the government dealt with MP pensions and it is quite apparent here. The government has no problem imposing these quotas on others but is it prepared to live up to the spirit of the legislation itself?

When one looks at the cabinet one sees an extreme over-representation of white males. Of the 23 cabinet ministers in the House, excluding the secretaries of state, only four are female. If we were to make the cabinet demographically correct there would be more females.

Once the government passes Bill C-64, I am very curious to know which eight white males will resign their cabinet positions and give up their spaces for females. Which eight are prepared to sacrifice the additional \$46,645 of the cabinet salary? Which eight are prepared to sacrifice their jobs, just as they expect others to do in the name of employment equity?

I am proud to belong to a party that believes that the only criterion in hiring or promoting is that the best qualified person should be given the job. If this principle were followed I am sure we would have a workforce that is truly reflective of the Canadian mosaic.

As a female I find it extremely insulting to suggest that I need special legislation to compete with a man. I believe the things I have accomplished have been because of my abilities, not my gender. I am proud that when I won the Reform Party nomination for my constituency I competed on an equal basis with five males and I won a first ballot victory, not because of my gender but because of my abilities.

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During the election campaign the Liberal, Conservative and NDP candidates were all male. While I certainly do not believe I won just because of my gender, it obviously was not a detriment to my campaign.

There are a number of people in this country who are sexist and racist and who engage in other forms of discrimination. They will not disappear just because Bill C-64 is passed. If the government wanted to deal with discrimination in hiring or in promotion practices in the public service all it had to do was make it clear that anyone who engages in such a practice will be immediately fired. If this approach had been taken we would have obtained the same results without instituting the state sponsored discrimination that Bill C-64 brings.

I cannot support any legislation that is discriminatory and racist in content and institutionalizes the concept that individuals in Canada will be treated differently because of their gender or race.

I will not ask government members to vote against Bill C-64 because I look forward to going into the next federal election with them having to defend it, just like Lyn McLeod had to defend her support for employment equity in the recent Ontario election. As the old saying goes, those who forget the past are doomed to repeat it. I take it the Liberals are saying they are intent on following the footsteps of the Ontario Liberals in the next federal election. That is just fine with me.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I was intending to ask the member a question. I have immense respect for the member for Surrey—White Rock—South Langley. In her opening remarks she said the bill was enshrining quotas and numerical targets and I immediately became concerned and consulted with my colleague, the parliamentary secretary to the minister of human resources.

(1030)

It is very important that the House and the people of Canada specifically understand clause 6 of Bill C-64 because it basically abolishes the entire premise of the member's speech:

6. The obligation to implement employment equity does not require an employer

(a) to take a particular measure to implement employment equity where the taking of that measure would cause undue hardship to the employer;

(b) to hire or promote unqualified persons;

(c) with respect to the public sector, to hire or promote persons without basing the hiring or promotion on selection according to merit in cases where the Public Service Employment Act requires that hiring or promotion be based on selection according to merit; or

(d) to create new positions in its workforce.

With respect to the member for Surrey—White Rock—South Langley, the premise of her entire speech goes right down the chute when we read the exact wording. It is not a written speech where people want to take partisan, political gimmick shots. They know there is a current in the community right now which thinks that a bill like this is designed to tell the senior management of business that it must hire 15 people from this country or that country, that it must hire 20 per cent of people of this colour or that colour, or this language or that language, or with this disability or that disability.

That is what the Reform Party is trying to spin on this bill. Quite frankly I find it distasteful. I find it distasteful because the very first day the leader of the Reform Party stood in the House of Commons he said they would not come into the House and take cheap, political, partisan shots. If they saw something good coming from the government, they would not get into political gimmickry, they would support the government. What we have today is a beautiful example of Reform Party gimmickry.

Mr. Epp: Strong principles.

Mr. Mills (Broadview—Greenwood): This has nothing to do with principles. I want to repeat clause 6 for Canadians from coast to coast. I will even go to the person who hates me most in my riding, the biggest Reform Party supporter in my riding who will never vote for me. I will look him in the eye and hold up clause 6 of this bill:

6. The obligation to implement employment equity does not require an employer

(a) to take a particular measure to implement employment equity where the taking of that measure would cause undue hardship to the employer;

I am a businessman; my background is in business. That is all I need as a business person. If I can prove for my small business that it will cause undue hardship, then I am fine.

(1035)

I am a passionate believer in the government's policy on multiculturalism. I am also one of the few believers in the vision for the country that Pierre Trudeau put forth. He was so far ahead of his time as a Prime Minister that the Reform Party does not even understand it. In 1971 Pierre Trudeau stood in the House and said: "We will have a policy on multiculturalism in which no culture is less than or greater than another culture". I know the member supports that.

We have spent taxpayers' money to encourage people who came here, whether they were from Germany, Italy or Austria, to keep their language and culture of origin. We have become a globally trading nation. Today the greatest trading advantage this country has is that there are Canadians who have preserved their language and culture of origin. They can go back to their country or that of their parents and talk about doing deals.

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I will give a concrete example. Last week during our recess I spent four days in Austria with my former employer, Frank Stronach, chairman of Magna International. In the last 18 months he has returned to spend a lot of time in his country of origin. Part of this was because of our rotten tax system; the government has to get up to speed on changing the tax system.

I will go back to the notion of multiculturalism. Last week I saw Frank Stronach doing deals in Canadian technology in the automotive industry. He was selling that Canadian technology in Austria. We all think the Europeans are far ahead of us but they are not. Canadian automobile manufacturing technology is much further advanced than in many parts of Europe. He was over there with Canadians doing deals. Because he has preserved his language and feels comfortable with his country of origin, he is doing deals left, right and centre. Is he doing this just for the Austrian community? No, he is exporting Canadian jobs and Canadian manufacturing.

That is why I am so passionately committed to the notion of multiculturalism. It is the greatest trading strength our country has. I do not give a darn what anybody says about Pierre Trudeau's being a centralist. I am a centralist. People knock him for building a strong national government. Our government is dismantling too much too fast.

I call this multiculturalism, phase two. With this bill on employment equity we are further sensitizing our communities, especially our business communities which build on the policy of multiculturalism. Wake up people, because if we can have a business organization that is sensitive to all cultures, all communities of the world, then the chances for our survival will be far greater than if we lived in a cocoon.

There may be one or two minor flaws in the bill but I have absolutely no problem supporting the bill. I will have even less problem going door to door selling it. I will take on any Reformer who wants to go with me, street to street. In the end the Liberal policy will win, if it is properly explained by the words in the act and not by spinning little aspects of it that make it look as if we are trying to punish white Anglo Saxon males. This bill is not about that.

(1040)

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I listened to the words of the hon. member. He defended Pierre Trudeau by saying that Mr. Trudeau was far ahead of his time. Not that long ago I was up on the sixth floor of this building looking at a series of photographs which started with Lester Bowles Pearson and went right through to Kim Campbell. I thought that if one wanted to graphically illustrate the trouble with Canada, one could use those five pictures of those Prime Ministers starting with Lester Bowles Pearson, with Mr. Trudeau's picture being the pre-eminent one in the whole lot. That is the problem with Canada.

I come from a business background. The reason I am here in the House of Commons is not that I ever wanted to be a politician. It is not that I wanted to come to Ottawa and be part of this. It is that the policies and the actions of this government over a period of 25 to 30 years annoyed me to the point where I could no longer sit at home and watch what was going on without becoming actively involved.

What we have here is an elitist group of people who believe they know better than anyone else how the country should run. They want to dictate from the top down how we are to organize our lives and run our affairs. That is what the member is talking about.

The whole idea of employment equity is repugnant. Anywhere in the world where this has been tried it has not worked. The employment equity philosophy is that we somehow have to help people because they cannot make it on their own. I cannot think of anything more patronizing. If I were part of one of the minority groups being targeted to be helped by this legislation I would find it extremely offensive. Not only that, this kind of legislation creates divisions in our society that we do not need. It creates an us versus them mentality.

I do not know how many times I have listened to people saying: "I feel like a second class citizen in my own country". That is the kind of feeling this type of legislation generates in people. They feel they can no longer walk around this country and feel they are part of a nation.

I suggest to the hon. member and the members of the government that if they think this legislation would ever be supported by the Canadian people, then put it to a referendum. Find out whether the Canadian people would accept this kind of top down management, this kind of elitist attitude that we somehow can control society and make it better.

These people have the attitude that government has solutions. The attitude of the people on this side, certainly people from the Reform Party, is that government in most instances is the creator of problems not the solver of problems. That is why I am here. The government made so many problems for me in my business that I eventually got tired of being in business and sold it. The government does not create solutions; it creates problems. It is this kind of attitude and this kind of legislation that creates more problems for Canadian businesses and industry.

After this bill is passed the quota police will be going into small and large businesses looking over their shoulders to see who they hire. The whole idea of hiring and elevating people on the basis of merit is going out the window. We will be looking at what kind of disadvantaged group people come from or what kind of multicultural aspect they have to offer to a business rather than whether they have something to contribute in terms of ability, effort and merit.

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I find the bill absolutely repugnant. I find the philosophy of the bill absolutely repugnant. I cannot believe that grown men and women would support it. I certainly do not believe that a vast majority of Canadians from coast to coast would support it. Therefore I will be voting against it. I am sure any thinking person in the House will be voting against it.

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, it is an honour to join in the debate on Bill C-64 not only as a legislator but as a practitioner who in the private sector has applied this legislation very effectively. I reiterate what my colleague from Broadview—Greenwood has pointed out. This act when utilized to its fullest potential allows Canadian businesses to be more competitive than any other businesses in the world.

(1045)

Let us look at the act and figure out what it really asks employers to do. First the act says that employers should look at the demographics of the labour force around their businesses. They should look at the percentages of white able bodied men, women, the disabled, visible minorities and aboriginals, and then look inside at the representation of their employee bases. In almost every case companies look inside and find that they are not representative, not even close to being representative.

When they see that displayed in front of them so clearly very often they ask how they can possibly be serving their customers or clients effectively when they do not have members in their employee bases that come from those communities, that have those ethnic backgrounds or that have that gender understanding.

They then say there is something to the legislation, that there is something they have to do. They begin to ask themselves how they have let this happen. How have they allowed their employee bases to become so homogeneous? What is it about the way they do business that has encouraged this?

In the bill the government requests employers to take a look at the numbers, at the representation, and build targets for themselves, targets and not quotas to give themselves a time line so that they can make shifts and their employed population is more representative of the surrounding society, their customers, their clients. The recommendation in the regulations is that they look at the employment systems that exist within companies: how people hire, how people promote, how they recruit, how they fire and how they retire.

When we actually start to look at the internal mechanisms of how these activities occur it is fascinating to find, unfortunately very often, aspects of systemic discrimination. This is not to suggest that we want to be discriminatory. People do not want to discriminate. However over time things have become systemic or part of the way we do things.

The value of the legislation is that it says that we should stop and think about what we are doing. Is this really what we want to be doing? Every time the answer is no.

For purposes of illustration let us look at some examples. When people decide they want to hire a new employee they think about the skills, the abilities and the qualities that need to be filled by the person who is going to take the job. They may take a lot of time. Some companies take no time to do it; other companies take time. When they get into the interviewing process natural human characteristics sometimes take over and we tend to hire people who are most like us.

Even though we may say we need someone with a particular education, with particular life and job experiences to fill the job effectively, sometimes in the course of interviewing we find somebody who looks like us, likes to play golf, perhaps goes to the same church, and we know he or she will fit in. All of a sudden that is the person who is selected for the job.

We need to recognize we want to make employment decisions based on skills, based on qualifications and based quite frankly on merit. We do not want to mix in things that are not bona fide requirements. When companies sit down and think about how this happens, they prepare for the interview and recruitment process more effectively and as such get better results.

We can think about how jobs are advertised. For example, large companies typically advertise in the *Globe and Mail*. They know a certain kind of person reads that newspaper. Do they think about advertising in the ethnic newspapers, in the *Teka* in my local community that goes to the Six Nations, to broaden the base and increase the numbers of people who are on the slate for consideration?

There is nothing in the legislation that says companies have to select anyone but the most qualified, but they have to create a situation so that the slate is broad enough to include all members of society.

(1050)

When people start to see the impact of the decisions they make in terms of the recruiting process they say that they do not mean to be but they are being selective. The system has generated itself to be this way and we need to change it. We can think of how jobs become available through word of mouth: the president says to the vice-president who says to his sister or whomever. That is a very selective source of candidates.

Companies need to use different strategies to broaden the slate, but there is nothing in the legislation which says once a slate is determined they have to pick someone from a particular designated group.

We start by going through the employment systems analysis at the hiring stage and at the recruitment stage. Then we start

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looking at what happens with the day to day norms in the company, the activities and the way employees interact. One important matter that has come from the legislation is an understanding of the importance of having policies that support a harassment free workplace so that once people come together in a workplace community they can work effectively together. They understand each other's differences. They know they have to treat each other with respect and dignity.

One important learning as a result of the legislation which has not been developed very quickly but with patience, understanding and education over 20 years is that harassment free workplace programs are vitally important.

Another thing which I have seen magically take hold in communities is the value of cultural diversity training where we sit down and understand social, economic and ethnic differences among Canadians. When we sit down, talk about them and understand them suddenly the barriers that stopped people from working together are gone and the value of being able to enjoy differences, celebrate diversity and understand different ways of getting to the same end makes a company a thriving, competitive organization.

First they have to take a look at the demographics. Then they have to take a look at their companies to see if there are processes that are systemically stopping them from engaging all Canadians in the workplace. This is not a bill that revokes the merit principle but quite the opposite. It says to use the merit principle but use it fairly and equitably. Their decisions should be based on skill, bona fide job requirements, qualifications and characteristics; not on a person's social history.

I can tell a personal story about working for a company. After I had been there for a couple of years and had been identified as perhaps being someone who could progress through the system, I was given a test to write. It had nothing to do with whether I could do mathematics or whether I could relate to people. It asked me about the history of my parents. Did my father belong to the Moose Lodge? Did my mother belong to the UCW? How many children were in my family?

This was not very long ago. I sat back and thought these were the measures they used to determine success in the organization. They were building a homogeneous population of white able bodied men at the top, typically from the same university and with the same graduating degree. Thanks to this legislation that company looked inside and discovered it was a detriment to its capability and its competitiveness and it is no longer there.

The bill is not about revoking the merit principle. It is not about reverse discrimination. It is about reversing discrimination and making sure we have a level playing field for all Canadians to participate. It is an important piece of legislation.

As a human resources practitioner I can say that if they follow the model presented through regulations they will effectively create for their companies a very good, strong working human resources plan and process. It is there in the bill. Quite frankly it is about treating individuals with dignity and with respect.

(1055)

Like my colleague from Broadview—Greenwood I am proud to stand in the House in support of Bill C-64 as we continue very slowly but very effectively with the changes we need to make the country's workplace the engine of our future: competitive, fair and equitable.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I feel very privileged to be able to stand in the House to enter this important debate.

When I was first elected as a member of Parliament in 1993 I came here with very high ideals. I have grown to like this place. We have here, for the most part, freedom to debate ideas and concepts which profoundly affect society and have a huge impact on our well-being as a country.

I begin my intervention by clearly stating that I do not question or judge the high motives of some hon. members opposite. Those who have spoken favourably with respect to Bill C-64 for the most part are sincere. I accept that. I also invite them to consider that I believe sincerely in the views I will put forward in the next while.

It is important not to reduce ourselves to name calling but rather very honestly and openly question the bills before us. We should have the freedom to amend bills so that the end product is the absolute best for the people of Canada.

I believe very strongly that I am not only fulfilling a role as a member of the opposition by being against these things. Certainly there are elements in all bills which bear reason for support. I say as a member of Parliament—I would do this if I were a government member—that if I identified a flaw in a bill I would as forcefully as possible bring it to the attention of the House and urge the House to amend the bill or defeat it. Unfortunately in the way Parliament works that is not an option. I regret that. It is unfortunate that government members opposed to the bill lack the freedom to effectively influence change.

I agree with the premise that people ought to be treated equally. Members opposite have said quite often that this is a bill about equality. The word equity comes from the same root word meaning equal or equality. We cannot tell a book by its cover. In this instance the bill labelled a bill about employment equity, implying employment equality, just does not deliver. It so happens that while the bill speaks of equality it actually entrenches inequality. I say that with all due respect.

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Members opposite are correct when they say that we have a history in which some people have been discriminated against on invalid grounds: grounds of race and grounds of gender. When I was a young man we were discouraged from entering the nursing profession because it was a job largely filled by females. There was a prior bias in the different ways of hiring.

Every time there is a position to be filled certain discriminatory principles will be applied. I was for a long time in charge of hiring in the place where I worked. It is true. Sometimes we had 200 applications for three positions. We had to apply criteria to decide who would get the jobs. I believe I did this with honesty and integrity throughout. I always asked the question who is best able to do the job?

(1100)

I did not ask the gender of the person. I did not ask what was their racial background. I did not look at the colour of their skin. My records will show, if anyone would like to check, that as a private businessman and a supervisor in a technical institute there was no evidence of discrimination. All I asked was that this person be the best qualified to do the job. That is to me an overriding principle.

The intrusion of these various elements into evaluating a candidate for a position is totally unrelated to the ability to do the job. They are entrenchments of inequity and inequality. I urge members of the government to think very carefully about this. Do not pass it off. Do not get emotional about a bill that you have come to love, but ask yourself whether it really does the job.

At the beginning of this bill it states that the purpose of the act is to correct disadvantages in employment experienced by women, aboriginal peoples, persons with disabilities and members of visible minorities.

I would be the first one to get up and scream if someone were denied a position because she was a woman and for that reason only, or because he or she was native and for that reason only. I would object strenuously. As I said before, my policies in my past and even as a member of the House of Commons are that I do not look at those things, I look past and beyond.

We have heard quite a bit of talk, especially from the member for Greenwood, about the fact that this bill does not require quotas, that there are exemptions for employers. The bill says "where there is undue hardship to the employer". I beg to ask what is the definition of undue? It is so loose it does not mean anything. There is no reason for people to obey this bill if it means that they would have to hire or promote unqualified persons.

This is a good reason to vote against this bill in its entirety. It gives two conflicting messages. One says that you must hire these people based on their numbers in these groups. On the other hand, it says that you do not have to because you should

test them based on their abilities. You should not have to hire unqualified persons.

In that case, the bill presents a real conundrum. There is no solution to this problem because you have two conflicting sets of criteria.

I also challenge the member's statement that this is not about quotas. Liberal members talk over and over again about business practice being enhanced by this bill. I beg to differ and I differ strongly because right now, to my knowledge, no legislation in Canada says you cannot hire the best people if they are in one of these groups. The absence of this bill does not present any difficulty to business at all.

We have had examples mentioned of different businesses that are working toward providing more equality in the hiring place and eliminating barriers. They have done it because it is good practice.

If they are doing it because it is good business practice, then the legislation is redundant. The only thing that this legislation is going to do is develop a huge bog of bureaucracy that will once again slow down the efficiency of business and of our economic well-being. What am I talking about? I am talking about what the employer is required to do because of this act. "Every employer shall collect information and conduct analysis of the workforce. With respect to whether or not there is a degree of under-representation of persons in these designated groups, he or she is to conduct a review to identify employment barriers. Only those employees who identify themselves are to be counted".

(1105)

I digress for a moment but there is a flaw in this bill right there that gives me a reason to vote against it. I beg the members on the government side to consider what they are voting for when they follow their party leadership later today and all dutifully, one after the other, stand up and say, yes, we are in favour of this bill. Listen to what it says: "if employees choose to identify themselves they are to be counted". Otherwise they are not counted.

Let us say one of the groups in the area represents 20 per cent of the population. Let us say a business actually has 20 per cent in this group. Let us say they exercise their constitutional right not to identify themselves. The reason the disclaimer is in the bill is that it is so close to being unconstitutional, it requires identification of oneself.

Let us say that the 20 per cent of people working for this business exercise that right and do not identify themselves. They cannot be counted. Though in truth they occupy one-fifth of the positions in this business, they are not counted. When a position becomes open, they are under-represented according to the books. Therefore there is an obligation to hire another one of them.

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They could by simply not identifying themselves keep that ball rolling until that workplace is entirely filled with people in that group, discriminating against everyone who is not in the group. That is a major flaw in this bill.

We tried to amend it. Reformers moved amendments in committee and the Liberals dutifully voted them down. I guess they did not want to think for themselves. The people who were telling them how to vote were not thinking very clearly either. That is what happened.

I urge all Canadians to ask themselves if this is such a wonderful bill and if it reflects what Canadians are truly about and if the members of the government truly believe this—I ask again in this context, why is the bill necessary if that is really true—why these draconian enforcement measures?

Why do we have enforcement that says that every employer shall make all reasonable efforts to implement its employment equity plan and to monitor it? Why is it that the government requires that employers maintain these employment equity records and that they file with the government, annually, a report respecting how they are fulfilling their quota.

Government members do not like to use the word quota because quota unfortunately is a word that means force. It means big government. While they want to do the same thing, they do not like to use the word quota.

They will say that nowhere in the bill is the word quota mentioned. Proportions are mentioned. The numbers are there. If that is the case and each business has to report, it has to report the salary ranges of people in these different groups. It has to report the number of employees hired in each group. After it has reported and only those employees, by the way, who have agreed to identify themselves are counted, in fact the employer could be doing it and it does not even hit the record.

In all instances we find it is just big brother. In the end—

The Deputy Speaker: I am very sorry to interrupt the member but through an error on the Chair's part he has had five minutes more than he should have had.

(1110)

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I am pleased to rise today to speak on this bill.

I like to call the bill respecting employment equity an act without respect for the abilities and sensibilities of Canadians. I put forward that the act perpetuates several myths: there is systemic discrimination that will be cured by systemic remedial measures; the myth of righting the historical wrongs of the past by proactive reverse discrimination in the present; the myth of addressing the problem of racism with a far more dangerous version of the same; and the myth that government mandated

crutches to groups when those groups only desire to compete in that race from the same starting line.

I speak in opposition to the bill and its policy of affirmative action in all matters related to government operations that is dressed in the guise of the euphemism of employment equity.

I noticed the member for Brant mentioned that in making an application for a job the government is asking about membership in a club or background or whatever. She took offence to that and I agree with her offence to that kind of thing.

This weekend I was looking at an application for a university for my daughter. That application was for a post graduate position in the university and included a page to ask her if perhaps she was disabled, or if she was from the aboriginal community. She was asked to identify herself presumably to gain entry to a program that should be equally available by academic achievement and by ability in one of our public institutions. As she takes offence at the questions asked of her, I take offence that my daughter should be asked certain questions that are outside her academic ability to enter an academic institution in the public realm.

That is very much the case in many of the areas in our society. We have taken one situation and given it another solution which is going to create a larger problem.

I speak not just as a Reformer but for the vast majority of Canadians who I know feel as I do, that people desire to be recognized for their ability—my daughter, myself and members of the House included—for their personal qualities and not for the colour of their skin or for their personal characteristics.

Along with a colleague from this side of the House I served on the committee on human rights and the status of disabled persons. I took part in the examination and hearings on this bill. We submitted over 40 names to be considered as witnesses to come before that committee. Those witnesses' names were submitted to offer balance to the discussion and what we felt was a majority perspective, the public perspective on many of these issues. Of the 40 names we submitted, only four were brought before that committee. From what I see in the report which the government produced, of those four none were heard.

When the Liberals came to power they trumpeted a new and open process of government. They chose to refer this bill to our committee before second reading. In reality what that did, and certainly at the end of our sessions in the spring, was remove that bill from public scrutiny and then allow this orchestrated affirmation of the broad concepts of the bill.

I was interested in many of the witnesses who came from across Canada through the choice of government. When we asked trade union representatives for instance how their experience of employment equity came about, they were very pro this bill. They supported what the government had to say. When

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questioned concerning their own advancement or achievement of the goals of this bill, their own structures denied that they took it seriously. They were very willing to apply it to companies or to businesses but not to its own administrative structure, where there was an obvious lack of representation from the disabled community and the aboriginal community. Generally speaking, women were not doing too badly in most of these situations.

(1115)

I get the feeling that some of these programs put forward by the government are simply vehicles for certain groups to put forward their agenda. The groups that perhaps need government consideration for programs the most are denied or shunted aside while the more vocal groups take the stage.

I want to comment on an aspect in this bill that has not yet been addressed. It is in terms of my recent experience at the fourth world conference in Beijing. This applies very much to the concept of employment equity. Our government signed the document to that conference, which was very much in support of affirmative action. It becomes very plain after reading the document that it is an affirmative action program our government signed in the name of the Canadian people on the platform for action.

The platform for action from the Beijing conference commits all signatory nations to implement over 500 actions by the year 2000. In the next five years we are supposed to put in place 500 things that nobody really knows about here. They were signed on to half a world away.

I question our government's accountability in that process. Certainly around the world and across Canada employment equity has been denied by the public—certainly not by this government, because it has not been listening to the public. It has now extended that, again completely unaccountably half a world away.

Let me read one section into the record. This is part of the platform for action: "Implement and monitor positive public and private sector employment equity and positive action programs to address systemic discrimination against women in the labour force, in particular women with disabilities and women belonging to disadvantaged groups, with respect to employment, hiring, retention, promotion and vocational training of women in all sectors".

We are working on a bill here that I believe does not have the support of the Canadian people. Our government has put this not only in the public sector but in a private sector agreement in an international document it has signed on to. I am not even sure if Canadians know that. It has done that without resolution of debate on this issue in this House and certainly no debate on its signing on to the documents from the United Nations.

Will this document from Beijing ever come to the House? Here we have positive public and private sector employment equity agreed elsewhere, but will we be able to discuss it here? We have signed on to something with no accountability coming through from the status of women people or anybody telling us what they have done, let alone that they should not have done it without accountability. I question whether they will even admit it when they get back here.

We are committed to an aggressive program of affirmative action. It is an umbrella program that covers all federal departments. This is not simply the status of women people who are going to work with special interest groups. The program that has been defined in our signing on to this document encompasses all federal departments in all areas, looking through what is called a gender lens, which would reflect public and private sector employment equity and positive action programs.

I am amazed to hear the government saying it is open and available to Canadian opinion when it goes behind closed doors or behind the globe and signs on to documents that are not only against public sentiment but have no accountability in the House. I object strongly to the denial of open government and of the wishes of the Canadian public.

(1120)

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, it is a pleasure to stand and speak to the bill. In the last session this bill was kind of my baby. It was something I was supposed to shepherd through the committee process, through the amendment process, and so on. It is only proper that I spend a few moments talking about the bill and why the Reform Party feels it must oppose the bill in its current form.

I should mention a little about the whole process. This was one of the bills that was referred to committee after first reading. Supposedly at that time it was to encourage debate and amendments and the creation of the bill at first reading stage in committee.

I remind the House that during that session things happened in committee that are almost unprecedented in the history of the House. We had limited debate of only five minutes per clause. We were not allowed to submit amendments because they were not in both official languages, only in English. Certain portions of the bill were passed without a vote. It was a real travesty.

The ironic part is that it was on the human rights committee that this all occurred. It was a very souring experience. I did report it to the House at the time. I re-emphasize that it is a very poor way to draft what is very controversial legislation.

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I will speak on a few points about the bill and then I will talk briefly about the Reform Party's alternative. Contrary to some of the baffle-gab that has been coming from across the way, the Reform Party does have a solution to what the bill is supposed to be addressing. We have some ideas on hiring practices and how to encourage employers to make sure their workplaces are without discrimination. I will put those on the record as well.

I find it interesting that in the bill the Prime Minister's office is not included as being covered under employment equity. It is interesting that the top office in the land will not be subject to employment equity. Why is that? Why are private enterprises that do business with the federal government, the federal government itself, crown corporations, the armed forces and so on all covered but the Prime Minister's office does not want to be covered under the legislation?

I remember making that proposal in committee and it was rejected by the Liberals. I find it interesting that when it comes to their own significant offices they are not prepared to allow themselves to be covered under this employment equity legislation. It is an interesting thought. I wonder if sometime the Prime Minister could expand on why he and his office should not be covered.

There has been recent controversy about the statistical base this whole thing is predicated on and the problems with the statistical base. In the last census 10 per cent of aboriginals refused to even be enumerated in the census. That is just one example of how the statistical base is often skewed. When supposedly the workforce is to be exactly representational, sometimes it is not possible to know because of the skewing of the statistics.

Another thing that was brought out in question period a little while ago is that in the last census almost a million people refused to designate themselves by ethnicity and background. They said "I want to be called a Canadian, please. Just call me a Canadian. Treat me the same as everybody else and I will be happy". Of course the Liberals will not allow that. The next census will make sure all people have to indicate which category they fit into. They will not be allowed to call themselves just Canadian; they will have to indicate they have some form of ethnicity. That is a shame. We should be working toward commonality but instead we are driving in a wedge, trying to drive people apart.

(1125)

I have heard a lot of talk today that this legislation is not about quotas, that this does not force people to hire a certain percentage of people of certain gender, minority status, and so on. That is simply not true. For example, say we had witnesses from the RCMP who said that in the RCMP in the coming year there will be the following people hired: 238 females, 238 people of

visible minority status, so many people from aboriginal groups. In other words, they would be providing exact numbers. When we start quoting numbers like that, what is the difference between that and a quota? There is no difference. We are talking about exact numbers to meet numerical goals arbitrarily set by the government. That is a shame. The government can say that it does not include quotas, but the numbers and the proof are there, which again is why we oppose this legislation.

This legislation is opposed by the Canadian people. In British Columbia, the area I am most familiar with, only 11 per cent of people say they are supportive of this legislation. This includes almost exactly the same proportion of people from any of the so-called designated groups, who do not want to be patronized, do not want to be told the only way they can get a job is because the government is going to somehow pave the way for them. Most people from all groups say: "Just give me a chance, just let me have an opportunity. I will get a job and I will be able to hang on to it because of my abilities, not because the government has said so".

Self-designation is supposed to be a voluntary process. In other words, you do not have to self-designate yourself into any group if you do not want to. At least that is what the government would have you believe. The problem is the lines are already being blurred on that. The Department of National Defence put forward a questionnaire for employment equity purposes. The top part of the form is compulsory, including your name, your rank, your serial number, your whatever from the military. In the fine print it says that you do not have to fill out the second part if you do not want to.

Already there is a record of everyone in the military who is willing to co-operate with the government and those who are not. They already have that information. If you have been a good boy or a good girl and you have done what you have been asked to do, then you get that in your file. If you did not fill out the form, that is also there. In other words, you are not co-operative if you did not fill out the form. You did not help them do what they think is their job.

The lines are very blurry between this voluntary self-identification and the compulsory self-identification that characterized stricter forms of apartheid such as happened in South Africa. It becomes a very blurry line when we force people or even ask people to indicate on an application form whether or not they are a visible minority. To think that this is possible in Canada.

Taking this same attitude to an extreme, during the committee hearings we heard about what happened at the University of Guelph, for example. They put a line down the middle of the student lounge and one side of the lounge was for visible minorities and the other side of the lounge was for whoever was not a visible minority. This is the attitude this sort of legislation promotes: think of yourself not as Canadian; think not as an employer or an employee; think not as a person with equal rights

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and worth in the world; think of yourself first and foremost as members of groups, divide yourselves up, divide the workforce. If you are working beside someone, do they have the job because they are the most qualified? That is to be hoped, but is it the case? Is it like the student lounge at the University of Guelph where it was said: "Let us separate the people. We will put all the coloured people on this side and all the white people on that side"? Is that where we are heading? This type of legislation promotes that.

(1130)

This legislation was designed in Ottawa. I wonder if these people have ever been to the west coast of Canada. I wonder if they have ever been to the greater Vancouver area. Have they been to Richmond? Have they been to Abbotsford? When Mr. Spicer appeared before the committee I put it to him that if he were to say he would not hire visible minorities he would go broke. He would have to hire visible minorities in order to hire the most qualified people or he would go broke. The marketplace would determine that. In British Columbia that is a fact.

I told Mr. Spicer there is a Hindi language radio station in the lower mainland. Under CRTC rules, compounded with these rules, more hoops and more bureaucracy, the radio station will have to show in its designated groups how many people are visible minority status, their gender and all the rest of it. This is a radio station which is addressing the needs of the Hindi speaking people of the lower mainland of which there are quite a few, over 100,000. To say to that station we would encourage it to have so many aboriginal people in its workforce is ridiculous.

The employment opportunities will come and will be determined by the marketplace. We have said that the Canadian Human Rights Commission is there to protect individuals from discrimination. That is its job and I encourage it to do that. The Canadian government could serve a role by advertising jobs properly and extensively; by implementing a comprehensive system of student loans; by making post-secondary education responsive and accessible to local people, in other words not denying people educational opportunities; by performing objective job testing; and also by being a model employer in the area of access and reasonable accommodation for the disabled.

We can deal with the problems in Canada without this legislation. This legislation is bad for Canada. It is unnecessary, it is coercive and I believe it should be dropped.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I am pleased to speak on Bill C-64. I had prepared a speech for this bill some time ago but a lot of what I had intended to say has been said. However, there are some things about the legislation which I must present to the House today.

The stated purpose of the legislation is to put equality in the workplace and to correct some conditions which are in the workplace or had been in the workplace in the past and are unfair. That is the stated purpose of the legislation. Who could speak out against that as a goal? All of us in the House would like to correct the unfair situations in our society, particularly those concerning employment. None of us wants discrimination and none of us is willing to tolerate in any way discrimination in the workplace based on race, gender, or any other factor. The stated intent of the legislation in terms of the problem which it is meant to fix I do not believe is a problem for any of us.

Bill C-64 is oppressive legislation which is not only unnecessary in today's society but is very damaging. What is in the legislation disturbs me and many of my constituents and others across the country to whom I have spoken about the legislation. It bothers a lot of people. Polls have shown of course that people across the country do not support the concept of employment equity or affirmative action, call it what you like.

(1135)

There are two schools of thought when it comes to employment equity. The first is that legislated programs are necessary to fix a wrong, especially wrongs that were in the workforce in the past. The second is that employment equity is flawed because it advocates the hiring of individuals based on personal characteristics, not on merit. Those are two opposing schools of thought.

A third view I have heard expressed is that possibly sometime in the past there was the need for some type of affirmative action or employment equity legislation. It was necessary sometime in the past because of discrimination in the workplace. That position is tolerated by a lot more people than the position of bringing this piece of legislation forward today, where conditions are not nearly as they were in the past. Empirical evidence and good information has shown that there is much less discrimination in the workplace now than there was in the past.

I repeat that there should be no tolerance of discrimination in the workplace, period. I do not and will not tolerate it and I do not believe any member of the House will tolerate it.

I will read five points to lay out the Reform position briefly. First, all Canadians are equal before and under the law and all workers have the right to be free of discrimination in the workplace. Again, I do not think anyone in the House and hopefully no one across the country would argue with that point.

Second, the market will provide solutions to a representative workplace in the private sector. The hon. member from Fraser Valley West who spoke before me and others of my colleagues have spoken to this issue. Business which is practising good business will hire people who can best relate to the customers. That in itself should mean there will be people from all visible

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minorities hired in the workplace in a way that makes sense, not because of quotas.

Third, the role of government is to ensure equality of opportunity rather than to determine equality of employment outcomes in the public sector or beyond the public sector. Equality of opportunity, that is a role of government, but a government cannot ensure equality of outcome, nor should it try.

The fourth point Reform puts forth with regard to employment equity is that the workplace should be free from arbitrary obstructions to hiring and promotion. Merit must be the sole hiring criteria. I believe this and evidence has shown that a majority of Canadians believe in this. That would mean that Canadians do not support Bill C-64, the employment equity bill.

The fifth point is that employment equity legislation is coercive, discriminatory in itself, unnecessary and costly and it should be discontinued. Bill C-64 should be thrown out. The vote this afternoon should throw this legislation out because it is bad legislation. Not only that, employment equity legislation from the past should also be thrown out.

I congratulate the Mike Harris government in Ontario for promising to do exactly that. I sincerely hope the Ontario government will carry through on that promise. I believe it will.

(1140)

What do various groups involved in the workplace have to say about employment equity? First, when it is known that employment equity is involved in the hiring practice, employees going about and working in the workplace look across the room. They see another employee from one of the groups designated in the employment equity legislation and they have to wonder was that person hired because they were the best and most qualified for the job, or was that person hired to fill a quota under an employment equity program?

What kind of work environment is that? It is not a healthy work environment at all. Fellow employees would always have that doubt in their minds that members of visible minorities and so on were hired based on quotas rather than merit. It is not fair to them and it does not make for a healthy environment.

What about the very groups that are targeted to fill these quotas in this employment equity legislation? What about the visible minorities, women and others who are targeted in these quotas? How do they feel about legislation like this? Although I cannot say how many, I can say that many people from these designated groups this legislation is intended to help have said to me they want no part of it for two reasons.

The first reason is that they have doubts as to whether they were hired because they were the best qualified or whether they were hired to fill a quota. Imagine what it would do to a person in the workplace, feeling that they were well qualified for a job but always having that doubt, wondering whether they were hired to fill a quota rather than because they were the best qualified. That is not a healthy work environment for those people either.

What about that other group, the people excluded from jobs because they do not fill one of those categories set out to be filled by quota? For example, I have had several people say to me that they do not like not even being eligible to apply to the RCMP. Employment equity has been in the RCMP for some time. White males simply are wasting their time if they apply to the RCMP and this is one example.

How do those people feel? They feel resentment against not only the body that has put these rules in place but against the groups targeted through quotas. That is sad and unacceptable. This kind of thing must end. It is not a healthy environment for that type of person. They can never find their way into that working environment.

There are a couple of people I have come to know well since I have been involved in politics. It is only because they talk to me about being part of the excluded group. They are indeed upset. Both of these people whom I have talked with many times on this issue have been excluded from what they want to do with their lives. They are young males, 25 years old. They want to join the RCMP but have been excluded because of these quotas. It is sad. It is wrong and it is unacceptable.

Another group in the workplace affected in a negative way by these quotas is the employers. Other members from my party have made it clear these are quotas we are talking about. The companies will be affected by this legislation. They have been affected in the past by previous employment equity legislation. How do they feel about this?

(1145)

I have talked with a couple of companies in my constituency that depend to some extent on government contracts. They have been excluded in the past, before the new legislation, because they simply could not get the proper mix required under the quota system to qualify for jobs from the federal government. They could not fill the quotas.

These companies are upset not only about the fact that they could not get the contracts but because it costs them money. These are not extremely large corporations but they are large for the area. It cost them money to hire someone to see how they were doing with regard to quotas, to keep track and to hire people to fill the quotas. It is damaging to the employers as well.

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I have gone through the list. Everyone in the workplace falls into these four groups. I ask members of the governing party in the House and members of the not so loyal opposition why they would support this piece of legislation when none of the groups think it is good legislation. There is not therefore good answer.

It is sad that we will pass the legislation. Because of the dictatorial style government across the Chamber I know it will pass. Those members will not dare vote against the government position therefore legislation will pass that very few people want.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, when I read Bill C-64 for the first time I could not help but wonder if George Orwell might have had something to do with its drafting. Most people have read the book *Animal Farm* and would remember the pig who made the famous statement so often quoted: "All animals are equal but some are more equal than others".

That is the sort of thing the bill will create in Canada. The bill is not about equality. It is not about putting people on an equal footing. It is quite the contrary. It is about creating divisions among us. It is about creating different classifications of Canadians. That is wrong.

We have long had a public policy of hiring and promoting by merit. It is also generally the policy in private industry. A speaker earlier said if we do not hire by merit we will very quickly go broke. When we hire by merit and if the meritorious person happens to be within one of the designated groups in the legislation, obviously the person should and would get the job.

Rather than being about the equality of persons the legislation is about the Liberal propensity for regulating, controlling, creating bureaucracy and in general getting in people's faces. Why do we not leave people alone? Canada is working very well. Canadians are basically good people, people of goodwill. We are friends. We have a multiracial society. It is working. Why do we have to poke our finger in a wound that the government will create by itself? It is nonsense.

I worked overseas both in a private capacity and for several years with the United Nations on a large number of highly motivated, highly skilled technical teams. They were multiracial. They were not multiracial because somebody wanted them to be. They were multiracial because applicants had been selected from all over the world for these jobs and they took the best. We were the best and we were proud of it. If they had been created by affirmative action programs I would not have had anything to do with those groups. I would have slunk away and hid.

(1150)

This will happen in Canadian society if affirmative action is enforced. We will see very good, capable people belonging to

minority groups that have jobs either in private industry or in government but feel self-conscious, demeaned and patronized. There will always be a question hanging over their heads about whether they got their jobs because of qualifications and ability or a bit of tokenism. Were they hired because of colour, race, language, gender, or whatever? Government has no place getting involved in telling people who they can or should not hire. It is offensive. It is wrong.

I was probably campaigning for equality of races before most members of the House were born. I recall when I was a young teenager collecting the occasional lump because of my curious attitude on the matter. I find it terribly offensive that some members opposite who spoke earlier had a self-righteous and smug attitude toward me and my fellow party members. They inferred that because we opposed their racist legislation we were racists. They are turning sociology on its head.

Mr. Benoit: Liberal logic.

Mr. Morrison: This is Liberal logic. When I came to the House today I did not intend to speak to the bill. However I had to get up because I was so incensed by the remarks of some people opposite. I do not have a long, prepared speech and therefore having made my case I will return to my seat.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I should like to add something to the debate. I had not intended to do so but I cannot believe the government is rushing through the legislation in a self-serving and smug manner. It is pretending that it is only concerned about fairness and giving everyone a fair chance when the legislation is so incredibly flawed that no intelligent, sensible person could possibly support it.

Anyone who does not support the bill, however, is branded racist, sexist or lacking in compassion and fairness. It is a sad commentary of the debates of the House of Commons when people cannot attack bad, flawed, unworkable legislation. Instead of being met with logic, reason and persuasion, they are met with labels, brands, sneers and distortions of their motives.

I appeal to members of the House to serve Canadians better by looking at the issues, at logic and at what is good for the country instead of hurling epithets and questioning motives. We know that is not the way to get good legislation for the country.

There are seven reasons why the legislation should not be supported. I will go through them quickly because I think Canadians watching the debate need to know about this piece of legislation. Not only their elected members should not be supporting it, but the public should not be supporting it and should be extremely concerned that the legislation will be foisted upon them by a Liberal government looking at doctrine and running ahead to say that it has done something rather than doing what is right and best and proper for the country.

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(1155)

The first reason, which should be enough of a reason in itself, is that it institutionalizes discrimination. How can anyone possibly support a piece of legislation that discriminates against people in the marketplace on the basis of race, sex or skin colour?

We have built Canada by being open and fair minded to everyone. Why on earth would we institutionalize a terrible process whereby we would not be Canadians or people with skills, abilities, knowledge and services to offer other people? We would be hired because of the pigment of our skin. Surely we can do better than that.

We should not encourage or institutionalize discrimination in any way, shape or form, and that is exactly what we are being asked to vote for. I cannot believe members opposite would do such a thing to our country.

The second reason out of the seven is that the legislation demeans designated groups as not having equal ability. Why would we put into place legislation that says since certain people cannot cut it on their own employers will be forced to give them extra breaks? It is an insult to tell people in certain groups that they do not have the guts, the brains, the ability, the competence and the merit to make a life on their own without other people being forced to give them special and extra consideration. That is not what we should be doing. It will not be any kind of help to people in the designated groups.

The third reason is this kind of legislation divides rather than unifies the country. A number of other speakers have mentioned this point with great eloquence, but Canadians need to think about it. Instead of being a Canadian, being someone who has skills, being a good employee, being someone with initiative, drive and ability, we will now be in little groups. We will be women in the workplace. We will be persons of colour in the workplace. We will be aboriginals in the workplace instead of employees who are damn good. This is not the way to build strong businesses and it is not the way to build a strong country.

The fourth reason is the legislation places unfair and unwise restrictions on job creation. What does it say to employees who know they do not have to show a lot of merit in the job because the employer needs them to fulfil the quotas under the legislation? The businesses cannot do without them; they need them. They need these token people in the workplace so it does not matter if they do not strive to do the best job possible. They have to be there anyway.

It will mean all kinds of bureaucracy, legislation and regulations on businesses already completely overburdened by the economic tinkering of governments that think they know better than anybody else how to run an economy. Instead they are just burdening them with the weight of unreasonable demands and economic and social tinkering.

It is time to stop that. It is time to let businesses create jobs for our young people. It is time to let businesses get on with running efficient and effective service oriented businesses. It is time to quit letting governments that pretend they are helping everybody do it on the backs of business. That is one of the reasons we are in trouble.

An hon. member: Oh, oh.

Mrs. Ablonczy: The member opposite is making a lot of noise. He knows that very well. He has been talking about how to get businesses economically viable again. He might give some thought to how we can do that. It certainly is not by another big, fat, thick layer of red tape for businesses.

The fifth reason is the legislation places undesirable coercion on businesses to be good co-operators with bureaucrats. Surely we have seen enough in other countries where bureaucrats make life miserable for people who are working and running businesses.

(1200)

Here we have another instance in which if you are not a good little business person you will be punished, harassed, hassled. You will be given all kinds of requirements and restrictions and will have to fill out more forms and have some pointy headed bureaucrat breathing down your neck before you can even do your job of running your business. Why would we have this kind of coercion and interference to the people of our country?

The sixth reason is it violates the principles of natural justice. To me this is a huge area. It says we are not all equal before the law, that some of us are more equal than others. It contravenes the basic democratic principle that everyone is entitled to a fair trial. Instead we have an employment equity tribunal, which is like a kangaroo court from which there is no appeal at all and which does not even have fixed rules of law under which to operate. Incredibly enough, it also entitles search and seizure of business records and business premises in order to ensure compliance.

Last, I point to the undue haste with which this legislation has been put in place. Other speakers have mentioned this but even in committee it was not properly looked at. It was not properly debated. This is not the way to put good legislation in place for our country.

I am afraid it is a futile effort because we know the top echelons of the Liberal Party have told their backbenchers that everyone has to vote for this legislation. I urge us to look at what is best for the country for a change instead of having a knee-jerk vote, putting in bad legislation and having all the problems I have just mentioned down on the heads of a country that is already struggling.

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The Deputy Speaker: There being no further members rising on this bill, pursuant to the order made earlier today the question is deemed put, the division deemed demanded and the recorded division deferred until 5 p.m. today.

* * *

**CANADA–UNITED STATES TAX CONVENTION ACT,
1984**

The House proceeded to the consideration of Bill S–9, an act to amend the Canada–United States Tax Convention Act, 1984, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Deputy Speaker: Colleagues, a ruling with respect to this bill.

[*Translation*]

There are two motions in amendment in the *Notice Paper* at the report stage of Bill S–9, an act to amend the Canada–United States Tax Convention Act, 1984.

[*English*]

Motions Nos. 1 and 2 will be grouped for debate and voted on separately. I pose Motions Nos. 1 and 2 to the House.

MOTIONS IN AMENDMENT

Mr. George S. Baker (Gander—Grand Falls, Lib.) moved:

Motion No. 1

That Bill S–9, in Clause 3, be amended:

(a) by replacing line 21, on page 1, with the following

“3.(1) The Act is amended by adding, after”;

(b) by adding after line 23, on page 1, the following:

“(2) The amendment to the Convention in paragraph 1 of Article 5 of Schedule IV, as set out in the schedule to this Act, shall not apply after 2000.”

Motion No. 2

That Bill S–9, in Clause 3, be amended:

(a) by replacing line 21, on page 1, with the following:

“3.(1) The Act is amended by adding, after”;

(b) by adding after line 23, on page 1, the following:

“(2) Benefits otherwise payable under paragraph 4 of Article 21 of Schedule IV, as set out in the schedule to this Act, are not payable where no tax is payable in Canada in respect of the property or income that is taxed in the United States.”

Mr. Baker: Mr. Speaker, I rise on a point of order. Does this mean each member gets only 10 minutes on both amendments before the House?

The Deputy Speaker: That is the ruling of the Chair.

Mr. Baker: Mr. Speaker, I will have to cram into 10 minutes the substance of two things, an enormous tax break of 50 per cent for American companies operating in Canada on their profits, a 50 per cent tax cut—

The Deputy Speaker: In light of what the member has just said, is there unanimous consent to give the member 20 minutes to speak to this?

Some hon. members: Agreed.

Mr. Baker: I thank the hon. members of the House. That relieves me somewhat. I will calm down and try to explain to members and the Canadian people and members of the Liberal caucus why I make such strong objection.

(1205)

This Senate bill is supported by the Reform Party and it is supported by the Bloc in the House. They are the official opposition and they are the back–up for the official opposition.

Mr. Silye: It is supported by the government.

Mr. Baker: The hon. member from the Reform Party says it is supported by the government.

The Bloc as well stood up in the chamber on second reading and in the committee of the House when this bill was being dealt with and said “We love this bill. Give us more bills like this that give huge tax breaks to American companies operating in Canada”.

However, that is not all the bill does. The bill gives a tax credit to anybody who has property in the United States valued at over \$600,000 and who happens to die and is subjected to the estate tax in the United States. Now the Canadian public will have to make the payment on behalf of that person to the U.S. government.

Mr. Speaker, as you know, if you die in the United States, in come the people from the Internal Revenue Service and they assess the value of the paintings on the wall, the value of your car, your garage, your backyard, your orange trees and your grapefruit trees—they look at everything. If it comes to over \$600,000, they sock it to you with what is called the estate tax. We had it in Canada prior to 1971, but not on the scale it is in the United States. The normal grab is about 54 per cent of everything you have over \$600,000, which includes stocks and bonds, even if they have been obtained through a Canadian broker, if you have that property in the United States.

In Canada we have unrealized gains upon death, capital gains, but that is a different story from the estate tax. Nobody comes in and looks at your home. If it is valued at \$20 million it is not taken into account because that is your residence. Nobody looks to see if you have a \$100,000 Rolls Royce in the driveway. That is not counted in Canada because that is your personal property

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for personal use. It is a different form of taxation. This Senate bill gives you a tax credit, which is paid for not just by the Canadian treasury; this is out of the pockets of Canadian citizens. That is a tax expenditure. That is what is wrong today.

People wonder where the money has gone over the years. Why could we afford health care and education transfers to the provinces and a big public service 20 years ago and we cannot today? Auditors general since 1985 have identified the main culprit as being tax expenditures. This tax expenditure will mean the Canadian people will pay for your estate tax in the United States of America. The Canadian people will pay for a 50 per cent reduction on the tax on profits to American multinationals operating in this country, on dividends. The Canadian people will pay for the 33.33 per cent tax decrease on interest that travels over the border into the United States. The Canadian people will pay for the elimination of royalties on practically everything, down to trademarks, which have been bifurcated. It will be divided. They will be examined each part separately.

Let me give the House some idea of how much this will cost the federal treasury.

(1210)

The person in charge, the chief of corporate and international tax in the Department of Finance, testified before the Senate committee. He was asked: "Why do you need to have a 5 per cent tax? Under this bill we are reducing it by 50 per cent. Why not reduce it by 100 per cent on the withholding tax? Why not give the American corporations their entire profit tax free?" The person in charge of corporate taxes in Canada stated: "The principal reason is money. I have not looked recently, but I believe that our annual withholding tax take is approximately \$1.5 billion. Certainly it would be difficult to sustain completely walking away from that".

What are we doing? We are cutting by 50 per cent the withholding tax on dividends from American corporations operating in Canada and sending their profits back across the border to the United States. What does that do to a Canadian business that is trying to compete? It is fine to give Wal-Mart a 50 per cent tax break, but what about the Canadian company that is competing against the American company?

It is interesting to look at the flow. I have the evidence given before the committee on foreign relations in the United States Senate. It is the Jesse Helms committee. It talked about the treaty with Canada. It did not like it last year. After the Minister of Finance signed it in Washington the American Senate changed it. The Minister of Finance had to return in March of this year to re-sign the amended protocol.

I will read a couple of things into the record. Here is the Secretary of the Treasury for tax policy for the Government of

the United States: "The protocol reduces the rate of withholding on cross-border flows of interest from 15 per cent to 10 per cent. This reduction will provide a substantial benefit to many U.S. recipients of Canadian source interest payments. It will have a lesser effect on U.S. outflows of interest to Canada because much of this flow is already exempt from U.S. tax under the portfolio interest provisions of the code". In other words, we are giving the Americans a 33.3 per cent tax cut when Canadians will not benefit from that interest provision because the Secretary of the Treasury in the United States says that it is already exempt under the code.

The other provision is on royalties. Here is the assistant treasurer for tax policy, the Hon. Cynthia Beerbower: "Being freed of tax on royalties is cash in hand. Now we pay royalties to Canada. With a zero rate in effect in this protocol, I cannot imagine that anyone would sit on this".

Then we go to the big one, the \$1.5 billion the treasury is getting today in this Senate bill, which is supported by the Reform Party and by the Bloc.

The vice-president of tax policy, Robert Green, for the National Foreign Trade Council Inc., 1914, which represents 500 American multinationals doing business in Canada, said in his evidence: "The investment flow between the two countries is substantial and favours the United States. We have substantially more investment there than they do here. The dividend withholding rate reductions, which are phased into five per cent over three years, are a tremendous benefit to the United States, to U.S. multinational companies doing business there. Because of the reduced withholding rates the amount of net repatriated earnings to the United States for investment will be substantially increased".

Then he goes on to talk about the reductions in the withholding rates on royalties: "The additional amount of repatriated earnings will substantially benefit the United States".

Let there be no guessing about this. The United States business community says it will take that from Canada and repatriate it right back to the United States of America.

(1215)

It is funny, Mr. Speaker, you stand here in the House and hear some Liberal backbenchers objecting to this, and you have the Reform Party and the Bloc in total agreement. How did it start? In 1988 the U.S. made a tax change. It was a change to the estate tax rules for foreigners. It stated that any foreigner with property in the United States would have to pay estate tax on everything above \$60,000, not \$600,000. That was in 1988.

The record shows that the Canadian government in 1988 took a week to respond. It sent people down to Washington. It said:

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“We want to relieve Canadians of this tax that is being imposed on them in the United States”. That is where it started.

The United States said: “In order for us to give you a break for wealthy Canadians, you will have to give us something in return”. It went back and forth. The negotiations started in 1988. It has gone on since then. It has gone on to include huge tax expenditures that nobody has an estimate on. Revenue Canada and the Department of Finance say they do not know—

Mr. Silye: Mr. Speaker, a point of order. We have now been listening to the hon. member for the last 10 minutes and so far I do not see the relevance to the two motions he has before him. We gave him 20 minutes to speak on them. I do not see where there is a tie-in to either one of the motions and why he represents and recommends these motions be adopted.

The Deputy Speaker: I am sure the hon. member will bring it around to those motions very quickly.

Mr. Baker: Mr. Speaker, this is what I was building up to. Under our laws in the Chamber we are not allowed to amend a tax treaty. It states that clearly in our standing orders. We can amend the legislation that brings in the tax treaty. However in introducing an amendment to that legislation we cannot negate the principle of a clause in the tax treaty.

Just imagine the power of the U.S. committees. They actual change treaties. The Minister of Finance had to go back to Washington twice. He signed one, they changed it and he had to go back again.

According to our standing orders our House of Commons is not allowed to change anything in a treaty. The amendments I put forward are amendments that do not negate a clause. The first amendment is that all of these huge tax decreases to American multinationals operating in Canada come to an end in the year 2000. That is amendment number one. We cannot afford giveaways any more.

We are cutting public servants. We have got to. We are cutting back on UI. We are cutting back on this and cutting back on that and at the same time we are introducing this whole new set of tax expenditures, gifts.

That leads me to the second amendment, the gift part. Motion No. 2 relates to the dating back of the tax credit on the estate tax to people who had died since November 10, 1988. Do you get the significance of the date, Mr. Speaker? Perhaps somebody of great wealth did die on November 11, 1988, I do not know. The very date is the date the protocol came into effect in the United States that decreased the maximum from \$600,000 to \$60,000.

Under this bill there are estates today in Canada verified by Revenue Canada to me and to the committee that are just waiting to put in their bill. Now the Canadian government has to pay for

the amount of estate tax that they pay in the United States that was taxed as U.S. source revenue.

(1220)

The Canadian people have to cough up the money now out of the treasury. I am told that one chap who died had \$20 million in the United States. He really got hit with the estate tax, almost \$8 million of it had to be paid to the U.S. treasury. He has a nice rebate coming to him from the U.S. government but he has a much bigger rebate coming to him from the Government of Canada. Only \$12 million went to the family. Now the people concerned who received the benefits from the estate will be able to bill the Canadian government for an additional \$5 million or \$6 million in that one year.

The second amendment, seconded by the hon. member for Broadview—Greenwood, is that since the Canadian delegation and the U.S. delegation said this is reciprocity, this is to eliminate double taxation, that if there is not double taxation then there will be no money granted. That does not negate the clause at all. It just says if no taxes were paid no rebate will be given as far as the Canadian government is concerned.

The auditor general in 1985 said the Canadian Parliament reminded him of a group of automobile engineers trying to build an automobile that was more efficient, that burned less gas but had the same energy. He said that Parliament is like that because we are trying to find ways of cutting while still maintaining our services to the Canadian people. He said the problem is this.

When the engineers changed the engine of the automobile from eight cylinders to six cylinders to four cylinders and brought in all those modifications to save energy, at the end of the day they discovered they were burning just as much gas as they were before. They did not know what the problem was until they looked under the car and saw all these little holes in the gas tank. Those, the auditor general said, are the tax expenditures of the Government of Canada.

The government cuts and slices and chucks. It lays people off who have children going to school and to university who do not know where their next dollar is going to come from. It changes the system of unemployment insurance. When a primary producer working in this country has as a part of his income unemployment insurance, it says: “Oh no, we are going to take that away because that was not intended for that”. That person is worried to death today.

While we do all that, we turn around and take a Senate bill that will give enormous returns to very wealthy people, very rich people, and we say to the multinationals we are going to cut your taxes by 50 per cent.

We are not going to do anything for the very poor. We are not going to do anything for Canadian corporations operating in Canada. That is why I think, after looking at the bills we are

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discussing, what is really happening in real terms of tax expenditure is that we take from the poor and give to the rich.

It is Robin Hood in reverse. He is now working for the great companies that represent those very multinationals in the United States that are working so well in this country, a country that according to the World Bank is the second wealthiest country in the world because we have resources.

The House of Commons today, with the Bloc and the Reform Party supporting this legislation wholeheartedly, is not working. The Canadian people are saying that we need a change in the rules of procedure or we need to get rid of the two opposition parties.

(1225)

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I found the Liberal member's grandstanding amusing. His closing reasoning was obviously somewhat illogical. He was more critical of the opposition parties than of the government. I would gently remind him that, if he does not agree, he need only settle his differences with his own colleagues. This bill comes from the government, which is made up of people from his own party. So they will have to talk among themselves and try to reach an agreement. It was even a bit sad to see them in such disagreement this morning. However, I agree with my colleague on some points; on others, I do not, but I will get to that.

Obviously, we share his concern for society's disadvantaged. We agree on this, and I hope, when the time comes to adopt the unemployment insurance reform and similar things, he will again rise, as he did today. It seems to me that only one member was opposed last time. I am not sure I heard him. I am not sure he was present. Next time, we will watch to see where he stands in the upcoming debate on cuts to the transfer payments, in particular, and on social programs. We will see where he stands and whether his concern is real or whether he is just giving a political performance here, once in awhile, to please his constituents and ensure his re-election.

I want to point out that we have to consider both the substance and the form of this bill. We agree with what the auditor general said about tax conventions, which is that there is going to have to be a code of conduct for signing such conventions with other countries. There can be major differences in taxation levels between Canada and the other country signing the convention. In such cases, there is clearly a problem, and we must ensure that we are not threatening economic transactions and running the risk of losing revenues here in signing such agreements.

Before us we have a tax convention with the United States. Obviously, a person can oppose it if they like, but they have to say so directly. They cannot, in our view anyway, oppose something that aims to maximize economic exchange between Canada and the United States.

For a long time it was believed that our markets in Canada were east-west and now increasingly we see that they are north-south. There is a great deal of potential for development there. I can understand that there are still some pockets of resistance among those who are opposed to free trade and everything that goes with it, but we must think of where we are headed in the next century. And this is where we are headed. Consistency and logic is required. When one agrees to get involved in something like free trade, one has to live with what that implies. One has to live with reciprocity as well. Now, I want to get on to the content of these amendments, which strike me as suffering either from bad drafting, technically speaking, or from a fundamental problem.

Of course, there is the first amendment. I have heard what the Liberal member has had to say, waxing so eloquent in his attack on the tax rate cut from 10 per cent down to 5 per cent. Yet his amendment is aimed at ensuring that this will not apply after the year 2000. Why before that date? Why not after that date? Why 2000? Why not 2001? Why not 2002? It is very hard to grasp the reasoning behind his first amendment and I have not found anyone able to explain the real meaning and scope of his first amendment to me.

Obviously, one cannot agree with something that is poorly written. You have to be for something or against it. You cannot be against something for a few years and then in favour of it after that. There comes a time for logic.

The second amendment reminds me of those who are in favour of free trade but only one way free trade, with others opening up their borders to us, but our borders being closed to them. But this is in the area of taxation. We are told that we must not allow this retroactive refund, as one might call it, not allow it if there has been income taxable in Canada during that period. There is another side to that coin also. What reasoning applies to the reverse situation, American residents whose assets were in Canada or Quebec?

But the amendment does not address the opposite situation. Accepting the second amendment means asking the Americans to follow suit and to reopen the tax convention. This is, I suppose, what they had in mind, because consistency is required with what is proposed. I shall be surprised if they do so, because these are the same people who tell us sovereignists in the speeches they make here: "It will be just dreadful if you vote yes. Perhaps NAFTA would have to be reopened". Yet they want to reopen tax conventions. And they spoke of their desire to reopen NAFTA during the election campaign.

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(1230)

I sense a strong desire on their part to reopen the whole discussion about relations between Canada and the United States. Of course, that is their right, but I do not think this desire is shared by the majority of the House or by the majority of the public.

Of course we are concerned about the most vulnerable in our society. And as far as the future of our social programs is concerned, I think we can all agree that some serious debate is in order regarding the approach suggested by this government.

However, we must not exaggerate, and the figures quoted by the hon. member to indicate the economic impact of these amendments or these motions are clearly exaggerated. There was a reference to hundreds of millions of dollars. I read what happened in committee, I followed the proceedings, and no one could extrapolate the same figures as the hon. member and say that hundreds of millions of dollars were involved in this particular case.

It is easy to quote figures out of the blue, but you have to support those figures, justify them and provide documentation. We cannot afford to keep throwing figures at the public and say: Yes, that is the way it is, without further ado. We have to be more serious, more credible than that.

And that is why we cannot support these amendments, and this applies both to Motion No. 1 and Motion No. 2. Motion No. 1 is poorly drafted, complicated and not consistent with what the hon. member said, in my opinion. The second amendment makes no provision for compensation or reciprocity. After all, this is a two-way street. When we sign tax treaties, there must be reciprocity. We cannot get away from that. However, there is nothing in the second motion that refers to this.

If they want to renegotiate the whole tax treaty, that is their problem. What we would prefer and what we always suggested is to go along with what was said by the auditor general. We now have a certain number of tax treaties that cause problems because of the differences in tax rates. In such cases we will need certain guidelines for adopting tax treaties, because this is going to escalate in the next few years, considering current economic trends.

So we will have to give much stricter guidelines when we send people to sign this kind of tax treaty, to avoid being faced with a situation that will be difficult to change subsequently.

In concluding, and I do not intend to speak at greater length on this matter, we agree with the tax convention. I must admit, however, that the retroactive aspect bothers us too. It bothers us that compensation is given retroactively.

That being said, these two amendments will not correct that, neither the first nor the second motion—they will not correct that because, as I said earlier, the amendments make no provision for compensation or reciprocity. When the time comes to vote on the tax convention on third reading, we will have to evaluate Bill S-9 as such. On the whole, we think it is important to pursue this approach.

I repeat, the retroactive aspect bothers us. But in any case, what the hon. member suggested does nothing to correct this particular aspect. We will vote against both amendments and we will vote in favour of Bill S-9 on third reading. I am sure the hon. member will listen to his colleague, the parliamentary secretary, who will explain what amounts are involved with this bill and tell him they are nowhere near what he suggested.

I find it amusing to hear him attack the Bloc Quebecois in this debate. He should be more concerned about ensuring that his party, the government party, has certain guidelines for adopting tax conventions. He should get that message across to his supporters and perhaps even to the government, and then we will get somewhere. We cannot backtrack and change things that have been signed and that arise from the whole North American free trade context. Any action that is taken should be logical and consistent, and that is why the Bloc Quebecois will support this bill and will reject, as the government and also the Reform Party have done on many occasions, the two motions proposed by the hon. member.

[English]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, it gives me pleasure to speak on the amendments being presented by the member for Gander—Grand Falls. I would like to make a few comments on the specifics of the amendments. These questions were addressed not only in the Senate but also in the House of Commons finance committee by witnesses who appeared from the department, including myself, to go through each of these points.

(1235)

For people trying to follow the logic of the bill, the protocol was required as a result of changes in American tax law in 1988. Once those were put into place it became incumbent upon the Canadian government to revise the tax arrangements between the two countries.

The member for Gander—Grand Falls was quite keen to point out there were witnesses in the American Senate and the House of Representatives who found this bill to be very helpful. It does not surprise me that a bill should come out to be win-win and that there should be supporters in the United States who think this is of benefit to them. That is why the country adopted it. Also on the public record, our department has been very strong and this is also of benefit to Canadians.

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It does not only help the wealthy Canadians who certainly are helped by this, but it also helps a number of ordinary Canadians who have second properties in the United States under relatively moderate circumstances. It also helps a number of corporations operating in the United States.

The United States is the largest trading partner we have, not only in the corporate sense but in the personal sense. It is the largest travelling relationship we have. It is the largest second investment for a lot of families. We have to be very careful not to develop a tax regime in isolation while totally not thinking of what happens to people in other regimes. What happens to many Canadians in the United States is a major tax consideration. It is incumbent upon this government to make sure those conditions are matched and that we do the best for Canadians.

As with any treaty and protocol, there are conditions that are more satisfactory to the opposite side. Either we do things to accommodate them or we have no agreement. To think that none of the American interests were reached in this protocol would be a silly assumption. It would also be equally silly to think that none of the objectives of the Canadian government were reached in this bill.

Dealing with the first motion, the 5 per cent withholding rate on direct dividends has been adopted by many of our major trading partners. Zero withholding is the standard among EEC countries. We are perfectly within our legal rights to insist upon higher rates as is suggested in the amendment, but we must recognize in doing so that our ability to attract additional investment and to retain existing investment would weaken with adverse revenue effects.

If we are concerned about the cash flow of the federal government, we must be cognizant of what we do in tax policy which aggravates taxpayers and causes them to engage in tax avoidance. Canadian firms attempting to enter or expand in foreign markets would be at a competitive disadvantage.

A temporary reduction in the withholding tax rate, as proposed in this amendment by the member for Gander—Grand Falls, would be the least favourable option. First, it would allow corporations to withdraw past earnings from Canadian operations at the reduced rate. The guarantee of higher future rates would create a positive incentive to do so. Second, it would eliminate the value of the rate reduction encouraging U.S. corporations to make any long term investments in their Canadian operations. In other words, it would be better not to go to 5 per cent at all rather than apply the reduced rate for only a few years.

On the first motion and concerning a point already made by the mover, any change to the protocol will necessarily endanger if not scuttle it inasmuch as it represents an agreement between two parties that can only be changed with the agreement of both

parties. If we make changes on our side we have to understand that part of our obligation is to allow parties on the other side who may be dissatisfied with one part or another to make additional changes they would like. We cannot pick and choose among the pieces.

The second motion presented by the member is also opposed by the government. By way of background, most of the benefits of the article dealing with taxes on debt are required to be provided by the United States. Specifically, the U.S. must grant to Canadian residents an estate tax exemption based on the same \$600,000 exemption that U.S. citizens receive, rather than the \$60,000 exemption currently provided. The U.S. must credit capital gains tax paid by U.S. citizens on properties situated in Canada against the U.S. tax payable by those citizens in respect of that Canadian property.

The only real obligation imposed on Canada by this article is to provide a reciprocal credit for its own residence. That is, Canadians who die owning U.S. property will be entitled to credit any U.S. estate tax owing on that property against their Canadian income tax payable on U.S. properties and income from U.S. sources.

(1240)

Accordingly, if there is no Canadian tax payable at the outset, there does not seem to be any sort of benefit that Canada would be required to provide under this article. If that reasoning holds, and I do allow for the possibility that what the motion literally provides may not be what the member was looking to accomplish, then the motion makes no substantive change and should be voted down on that basis. If on the other hand members believe the motion does have substantive effect, I would refer to the argument set out in the third point concerning this first motion.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I would like to address the amendments put forward by the member for Gander—Grand Falls. Before I comment on them, he took a heck of a long time during his 20-minute oration to point out in a very partisan and grandstanding fashion how the Reform Party and the Bloc Quebecois support this bill. However, he conveniently ignored the fact that his very own government supports this bill. In every comment the member made about the opposition parties supporting this bill, he conveniently and purposely left out mentioning that his government is in favour of this bill.

I respect the member's right to disagree with his own party. We believe in that on this side of the House. We believe it is an advantage to allow members of a party to speak out on the negatives of a bill, especially if members so passionately feel there is something wrong with it. However, to carry the game to the degree the hon. member has in terms of giving the general impression that his party was not a part of it disappoints me. I respect the hon. member, but I must put on the record that in this

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case the way he presented his comments is taking political partisanship one dramatic step too far.

Let us get to the crux of the matter which are two amendments to the bill. I agree with the member for Témiscamingue. He is right. These two amendments are poorly written and poorly thought out. They have been served up to circumvent the bill itself so that this gentleman could have one more opportunity, one more platform to give his speech and to hear himself talk.

What the member accomplished in the process was to show us the typical Liberal attitude that where there are tax breaks available for Canadians, where there are advantages for Canadian citizens in the form of reduced taxes or where it eliminates double taxation to help solve a problem in our tax system, the Liberal government is against it. The Liberal government and this member are against it.

The hon. member wants to generate as much revenue for the government as possible on the backs of what he calls the so-called rich. The mythology that the rich somehow or other get a disproportionate share of the advantages and benefits of infrastructure is crap. That kind of philosophy and attitude has to stop, which is why Liberalism is slowly coming to an end as well.

For the member to give a speech one way and to ignore the benefits of the bill, never once addressing the advantages and the good aspects of the bill, is terribly one sided. It is the Liberal way of arguing. I believe the only way government members can defend themselves is by presenting a biased and prejudicial point of view without looking at it from both sides.

The reality and the weaknesses of these two amendments to Bill S-9 are that by trying to strike the bill down, the member is not accepting the realities of today's economic climate. The global economy requires that everybody, as closely and as much as possible, deals under the same rules and rates of taxation so that there is no unfair competition and the flow of capital is not more advantageous in one country or another. If Canada does not keep in step with globalization and with the same rates of taxation by convention with all other countries, we are at a great and serious disadvantage.

(1245)

In light of the personal crusade of the member for Gander—Grand Falls to strike down Bill S-9 on technical grounds, that it did not originate in the House, he is ignoring the wonderful advantages and benefits of the bill.

I was being taunted by the other side to say what those advantages were. It offers relief for Canadian residents from the application of U.S. estate taxes. It has tremendous advantages for all people in eastern Canada who have residences in Florida. If they happened to sell them they would have to pay estate taxes

on anything over \$60,000. It raises the limit to \$600,000. Is that not an advantage to Canadian residents?

Yet when we listened to this member's speech he made it sound like it is a tax expenditure we are giving up that will cost Canadian taxpayers. It is not costing Canadian taxpayers. It is costing U.S. taxpayers. That is the other side of the story the member failed to point out.

That is what I mean by balanced and representative argument and presentation when we are discussing bills. We will be discussing complete fundamental tax reform in the country very shortly. It is a burning issue; it is an issue that will come up. It includes issues like taxation and rates across borders nation to nation. We will have debate on various forms of flat tax. The member for Broadview—Greenwood has a proposal for a flat tax that his party members conveniently choose to ignore, which is typically Liberal. It offers a wonderful solution to our complicated system but they ignore the member. I do not know why but they do.

When the debate takes place we will have people speaking for it and against it. No tax reform and no taxation system, no matter how much it is simplified, has all the answers and has all the solutions. It requires debate; it requires looking at both sides of the story. That is what I would like to see happen when we discuss taxation bills especially and bills that affect our pocket-books as this bill does.

As critic of this topic and this bill on behalf of our party I will be making a recommendation to our caucus. We on this side of the House have the right to accept my recommendation or not. We will see what happens on that side of the House when the amendments are voted on. I will recommend to our party that we oppose the two amendments because they are strictly for grand-standing purpose. They are very poorly written. They are extremely hard to understand except for Motion No. 1 which I can understand.

As the Bloc member said, how can they be for it for a few years and then against it after? As the Parliamentary Secretary to the Minister of Finance pointed out very well, the member probably does not understand the implications of his motion. As soon as I heard that, it verified the fact even the Liberal government felt it was very poorly written.

Therefore on those two grounds I will be recommending that we oppose them. However, when it comes to Bill S-9 itself, I will be recommending to our party that we support the bill. That is where my comments end on the matter.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, it is my responsibility to speak on these amendments because for seven years in the House I have been trying to generate debate on behalf of my constituents

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and others across Canada who believe the current tax system is not fair, not efficient and complex.

For years we have been amending the tax act of Canada. We have made amendments to amendments that have generated a complexity. Most tax lawyers and most tax accountants when speaking privately say that the current tax act is an unmitigated disaster.

(1250)

After the last election when the Reform Party came to the House I was hopeful we could generate real solid debate on comprehensive tax reform. Granted it takes a couple of years to get our feet wet in this place. Most Reform Party members would admit that governance of a country like ours is complex. We cannot come here on day one and expect our ideas to be totally understood. There are all kinds of variables and difficulties that make implementing legislation difficult in comparison with the view we had in the private sector. I have certainly learned the hard way that it is difficult. I respect the fact that the Reform Party took a couple of years before it began the debate on total tax reform.

I will support my government on the bill. I would never vote against a money bill because it is a confidence bill. The hon. member for Gander—Grand Falls and I are not saying that we want an election over the bill. However we are trying to illustrate what I have been saying in the House for seven years. The bill is another example of how amendments to amendments of the tax act can be brought forward.

I do not mean to be disrespectful but probably 85 per cent to 90 per cent of the members of the House do not know the full ramifications of the bill. We expect the opposition to challenge bills like this one. If I were in opposition right now, quite frankly as I forced debate on the bill, I probably would have put a lot more heat on the government and asked when we would move the debate forward on total tax reform. But no, they wanted to let it go through.

The difficulty I have with the bill is that we are giving tax reform. We are harmonizing with the United States. The bill harmonizes Canada with certain aspects of U.S. tax law. The one great feature about the bill is that when the United States of America wants to amend its tax act we move quickly to be in harmony with it.

We can reflect on the ongoing debate in the United States in terms of single tax, flat tax and all the various democrats, republicans and independents who are talking about total tax reform. If it gets to the front burner of their agenda hopefully Canada will not be far behind. Obviously we will move in a micro second. Part of the reason we are moving in the bill is that the Americans want it to be done quickly.

One positive feature is that we move quickly to harmonize, but the difficulty is that it only gives tax reform to the elite in

Canada. I have immense respect for my colleague from Winnipeg, the Parliamentary Secretary to the Minister of Finance, and I will support him in the bill. However I would not call people who have residences in Florida ordinary Canadians. They are wealthy. I consider someone who has \$600,000 worth of property in Florida or in some other place in the United States to be fairly wealthy.

I also have great concerns about article XI. Essentially once the bill is passed, and it will be passed, it will affect Canadians who want to send their children to an ivy league school such as Harvard, Yale, Cornell or Rice. I have nothing against ivy league schools in the United States. I am proud of Canadian universities but I would have liked to have gone to UCLA or one of those big ivy league universities. It costs \$25,000 or \$30,000 a year for four or five years. Under the bill Canadians who can afford to send their children to the ivy league schools will get a tax credit. I have great difficulty when essentially the bill will create a market for wealthy Canadians.

(1255)

If I were the president of Notre Dame or one of those places I would take out an ad in all Canadian universities. I would go to Upper Canada College in my community in Toronto, go to Bishop Strachan or take out a flyer telling parents about the tax credit they would get for all the money they spend sending their son or daughter there.

We listened to the member for Yukon last night give her closing remarks. I have had immense respect for the member for Yukon since I came here seven years ago. She said that we were here for people who cannot always speak for themselves. It is obvious the people who can afford to speak for themselves certainly have the ability to get the bill through the agenda in the first two years of our mandate. Quite frankly it is a question of priorities, but in this bill we are forgetting a bit of our Liberal tradition.

Mr. Morrison: So stand up and be counted.

Mr. Silye: You are voting for it.

Mr. Mills (Broadview—Greenwood): I will not vote against the government on a bill that could bring the government down.

Mr. Silye: It won't bring it down.

Mr. Mills (Broadview—Greenwood): Yes, it will. It is a principle. It is a money bill and on anything to do with confidence in the government I would resign from the party. That is what the opposition does not understand.

I suspect, and this is not partisan, members of Her Majesty's Loyal Opposition are feeling a bit guilty as part of their responsibility is to challenge us from time to time and they were totally asleep at the switch and could not generate a debate in the House on a bill which essentially in my judgment caters to the elite.

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Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I am very happy today to rise in support of the motions of the member for Gander—Grand Falls. I have always been impressed by him. He is one of those rare individuals who inevitably speaks his mind. He does his homework, analyses legislation and makes up his own mind about whether it is good or bad. For some members that seems to be a rare piece of behaviour.

What is the bill all about? What are the motions all about? I have to go back to Kamloops at the end of this week. Whenever I do that I go to Main Street and have coffee with a few of the folks who ask what has been going on in Ottawa. What has the government been up to? What legislation is before the House? What is the government dealing with? What are the priorities of Parliament and so on and so forth? Part of my responsibility is to reflect as accurately as I can what the priority is. They will be perplexed when I tell them about all the challenges that confront us as a great nation.

(1300)

Here we are almost on the eve of a major referendum about the future of the country and there are horrendous economic, social, cultural and environmental problems confronting us from coast to coast. I have to tell my constituents the government's priority at this time is to bring forth a piece of legislation that will benefit only the very wealthiest families in the country in terms of their tax returns.

The other day a major report in newspapers across Canada indicated that 75 per cent of Canadians willfully carry out their business transactions in cash to avoid paying income tax or sales tax or whatever. In other words, 75 per cent of Canadians are participating knowingly and up front in the underground economy. Are they doing that because they are tax cheats and because they participate in illegal and unethical activities? No. They have lost faith in the integrity of the tax system of the country. They see all kinds of people who do not pay their fair share.

There are small business investors and small business entrepreneurs who are struggling and who see all kinds of tax breaks going to large corporations but none to them. They are working 60 and 70 hours a week and are struggling to get by, and they see tax breaks going to certain firms, not to small firms, and to certain Canadians but not to the ordinary Canadian.

What does this tax provision do? Let anybody in the House stand up and argue after I sit down, but this is designed for the wealthiest families in the country.

I wish my friend for Broadview—Greenwood were going to vote differently, but at least he is speaking up for what he believes in, which is more than most people in the House are doing on this occasion. Why are Canadian taxpayers being now asked to subsidize those families that want to educate their sons and daughters and family members in the United States? That is

what this does. That is what the member for Gander—Grand Falls is saying. That is what the provision is.

Those people who are sending their sons, daughters and other family members to American universities will not even have to be on the short list any more. For any college or any university in the United States, tax credits are available for any donations made to the foreign university or college.

Why should struggling Canadian taxpayers and small business operators in the country be subsidizing American colleges and universities? Why should hard working men and women be subsidizing American colleges and universities? It does not even matter what their credentials are. They could be colleges that simply hand out PhDs or masters degrees for the price of a few dollars. Any American college or university is eligible to receive donations from Canadians and they will receive a tax credit for that.

How can my friends in the Reform Party support this kind of provision, which is so unbalanced in terms of fairness? This will cost us money. It will cost the taxpayers of Canada hundreds of millions of dollars every year from now on. If we were a wealthy nation and had all kinds of extra coinage, perhaps we could consider this. I ask my friends in the Reform Party, who remind us regularly about their concern for the deficit and debt of the country, why they are supporting a piece of legislation that will drain hundreds of millions of dollars out of the treasury every single year.

I have been listening carefully to the debate. I could not listen too carefully when the bill was in the Senate because it went so quickly. Quite frankly, it is going awfully fast in the House. It is a tax provision, tax reform for the wealthiest people in the country, for the elite of Canada. Is this our priority? Yes, it is. Is comprehensive tax reform taking place at this time? No, it is not. Is it called for by every single Canadian man, woman, and child in the country? Yes, it is. What are we doing? What is the government doing? The government brings forward a piece of tax reform via the Senate that will harmonize certain corporate tax structures with the United States and bring in provisions that are absolutely astounding.

I would like to hear from my friends opposite before the debate ends why we are subsidizing American colleges. Why are Canadian taxpayers subsidizing American universities? Why do we consider it a priority at this time to give tax breaks of hundreds of millions of dollars to the wealthiest families in Canada?

(1305)

My friend from Broadview—Greenwood, an individual for whom I have much respect, asks whether it is really a priority at this time to be passing tax legislation that will benefit people who have investments in the United States in excess of

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\$600,000. I suppose we could feel sorry for these folks. If you have investments over \$600,000, the tax system could be more to your advantage. How many Canadians do we know with investments in the United States in excess of \$600,000? A lot of people might have a cottage, an apartment in Florida or in California or someplace. How many people are worried today in terms of their financial realities who own \$600,000 worth of real estate in the United States or have \$600,000 worth of investments in the United States?

I say to my friends opposite in the Liberal Party, is this your priority? Are these the Canadians you want to go to bat for today? What about the people at the food banks who are lining up this afternoon? What about the single parents who are struggling simply to make ends meet? What about the small business operators in this country struggling daily to simply put food on the table for their families? Why are you not bringing in legislation for them?

I am referring to the second amendment which tries to bring at least a shred of credibility to this debate. As my hon. friend from Newfoundland has indicated, it is not perfect; it is sort of half a loaf because it says we are to limit this tax break to the year 2000. I see this as a bit odd, but I think it is at least going to end this tax buffoonery that is going to benefit a handful of very wealthy Canadians, at least to the year 2000.

When I go back to Kamloops later this week and I have to explain to the people on Main Street in Kamloops, struggling business people, people who are struggling simply to put food on the table and unfortunately an increasing number who find themselves out of work, jobless, that this somehow is a priority of this Parliament and this government, they will shake their heads in disbelief and say that this place has lost touch with reality, that this place somehow deals in some Walt Disney version of the real world.

I look forward to hearing other participants in the debate explain why on earth this is a priority.

I say in conclusion to my hon. friend from Gander—Grand Falls, thank you for standing up and putting forward two amendments today that will bring at least some sanity to this legislation and indicate on your behalf and a handful of your colleagues your disgust with this legislation as well.

The Deputy Speaker: I would ask members again to please put their remarks to the Chair. The Chair gets lonely and feels not a part of the debate and so on.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I want to take a few moments and clarify what I believe to be some misconceptions or possibly attempts by particularly the person who just spoke to put things that are not in the bill before Canadians. I feel that is extremely unfair.

What we are talking about here is a bill whose purpose is to put into place a protocol to amend the 1980 income tax treaty between Canada and the United States that was signed on March 17, 1995. The purpose of this is to put these measures into force. It has nothing to do with the member for Kamloops' statement of us wanting to give rich people more money or some such nonsense.

One of the provisions of this bill will be, for instance, the elimination of withholdings that are there now. For instance, some people have estates in the United States. The example was given of a Florida winter home. I have a case a constituent brought to my attention of a mobile home in Florida owned by senior citizens and one of them died. I would not exactly call those rich people. Rich people do not own \$10,000 mobile homes when they are 70 years old.

(1310)

I know the amounts. I know very well the amounts that are in the bill. The limits that are there now in terms of estates would barely cover a mobile home, its furniture, and a car.

An hon. member: That is not true.

Mr. Boudria: The member across says that is not true. That could be his opinion. I am looking forward to his speech, which he seems to be wanting to make simultaneously with other hon. members. Perhaps he is in a hurry and cannot wait the extra 10 minutes to speak. Perhaps then he had nothing substantial to say to start with. Either way, we will find out in 10 minutes what the hon. member wants to say.

The point I am making here is that we are trying to amend the tax treaty between two countries. Under the terms of this treaty, gifts by Canadians to American colleges and universities will qualify for charitable donation tax credits, as has been said. However, half of the sentence was not said. That is the fact that gifts made by Americans to Canadian post-secondary education institutions will also qualify as charitable donations for the purpose of computing the donor's U.S. tax liability. In other words, it will permit people to donate money to a university—which we all recognize, I would hope, as being something legitimate and worth doing. It will enable us to continue doing that, and for a Canadian to donate to a U.S. institution should there be such people, and I am sure there are. Given that the U.S. population is at least 10 times the size of ours, I would say there is at least a fair chance that the reverse will also be true.

That was not said by the hon. member for Kamloops. Why? Because the member for Kamloops did not feel it injected part of the partisan debate he was trying to portray in the House. We should remember what the bill does. Perhaps we should go beyond the rhetoric of the hon. member for Kamloops.

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I ask the hon. member from the New Democratic Party, who a minute ago could not wait for 10 minutes to make his contribution, to speak to us about that and to admit to this House that in fact Americans will be able to donate to Canadian universities. Inject that into the debate so that all of us can understand. Maybe he can tell us if he is against that, particularly at a time when we are seeking assistance for our post-secondary education institutions.

I believe these tax protocols are for the benefit of residents of both countries. The protocol has to be ratified by both countries before it takes effect. Some people have withholdings right now that have been there for years, and they cannot get their money back because this ratification process is not yet complete.

Let us get on with it and pass this bill. Let these people have their funds and allow for the kind of investment that I brought to the attention of the House a moment ago.

Let us look at other changes that are included in this treaty: bilateral reduction of withholding taxes on dividends, interest, royalties, reflecting the rates now accepted in force between most industrialized countries—is that so terrible; complete withholding tax exemptions for payment for the use of technology—I hope we are not against that; relief for Canadian residents from the application of U.S. estate taxes—that is the issue I raised earlier; and expansion of the exemption from U.S. tax for income earned by RRSPs, RRIFs, and Canadian pension plan—are we against that too? I would hope not. That is in the bill. Should we not be supporting that? I suspect we should.

The bill also provides for authority to impose withholding on CPP and OAS payments made to American residents. Is the NDP against that too? I am still awaiting the speech from the hon. member across the way, the speech he could not wait to give us 10 minutes ago.

(1315)

In addition, the bill provides for mutual assistance in the collection of taxes owed. Are we not in favour of collecting taxes that have not been paid? That is part of the protocol as well. That is what we are trying to do today. Are the NDP members against that too? Presumably they are, otherwise they would be supporting this bill. I cannot wait to see how they vote on the final outcome. I cannot wait for the third reading debate.

Finally, the bill provides for authority to enter into arbitration to resolve disputes where the two countries' revenue authorities cannot agree. In other words, there is even a mechanism in here for dispute resolution in the whole process. In my book that makes this a good bill, notwithstanding the rhetoric. It makes it a bill that we should be supporting and passing. I cannot wait to see what the NDP will do particularly after the remarks of the hon. member for Kamloops.

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, I rise in opposition to Bill S-9 and in support of the amendments put forward by the hon. member opposite, the member for Gander—Grand Falls.

Since 1988 the Americans have required all non-residents to pay a 55 per cent estate tax on all U.S. property worth more than \$60,000. However, the agreement before our House which is not yet ratified means that Canadians with less than \$600,000 in U.S. assets will now be exempt from American estate taxes. That also means that Canadians with more than \$600,000 in assets will pay the American tax and then will be allowed to claim a portion of it in foreign tax credits here in Canada. This means a \$600,000 U.S. exemption which is a \$900,000 Canadian exemption in real dollars. This is a tax bill which is helping the very rich.

I want to say a couple of things about this bill. Members of the Liberal Party opposite, including the member for Glengarry—Prescott—Russell, talk about how important this bill is to education. It is very peculiar that medicare, the health care system and the education system in Canada are being squeezed by these very Liberals through the drastic cuts in this time bomb budget which is before our country now.

We are hurting the education system in Canada as a result of it, yet we are going to give the very wealthy an opportunity to make contributions to the education system in the United States and we are going to subsidize it through our tax dollars. My colleague, the member for Kamloops, clearly delineated and outlined the outrage of Canadians with respect to the approach of this government cutting back on education in Canada but providing an opportunity for wealthy Canadians to get tax credits for making contributions to the American education system.

Now we see whose interests this government is working on behalf of in this House of Commons. It is not for ordinary Canadians, not for unemployed Canadians who require unemployment insurance or who require some assistance with respect to health care and education. They are not the interests of the Liberal federal government. The interests are those who feed the Liberal government, those who make substantial financial contributions to the Liberal Party. The very wealthy in this country, the large corporations, the wealthy families are getting their interests high on the agenda of the House of Commons because they own the Liberal Party, they contribute millions of dollars to it every year.

As a result, their agenda is what is on the agenda of Canada. Their agenda is to accumulate more wealth. That is the agenda of the wealthy, the individuals, families and corporations in this country who bought and paid for the Liberal Party. This is a bill the Liberal Party is putting forward in the House of Commons which will thank them in spades for their generosity over the last

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couple of years. The Canadian population is going to be paying for this generosity by the Liberal Party to their wealthy friends.

Bill S-9 is an absolute disgrace for the Liberal Party. The Liberals should be embarrassed out of their shorts with respect to this bill. I hope they are feeling as bad as some of the members opposite look like they are feeling because this bill is a wrong priority for Canada. It is a wrong priority for the House of Commons.

(1320)

What about the farmers? This bill gives the wealthy families a break with retroactive tax breaks back to 1988, but what about the farmers in the prairies? What has the government done for the farmers? It eliminated the Crow benefit, which is a transportation subsidy. In effect 25 per cent of Canada's farming population will be eliminated from earning a living using their farming skills, yet the government is going to give the very wealthy additional hundreds of millions of dollars. This is tax reform of the very worst kind.

What about a fair taxation system where Canadians who are earning a living feel confident that their load is being shared by the very wealthy? The Liberal government is not providing that sense of confidence to the ordinary Canadians, to those who are working and to those who are looking for jobs.

This is an issue on which typically, Liberal members have mastered speaking out of both sides of their mouths. The hon. member for Gander—Grand Falls did an exceptional job of articulating the pitfalls of the legislation and the lack of priority it has with the Liberal government. That is common practice in the Liberal Party. Whenever it has a bill which is embarrassing, which will hurt the majority of Canadians at the expense of the very few wealthy, it always tries to have a few members of Parliament say: "What we are doing is not the right thing, but we are not going to vote against it. We are not going to make any public contention that it is a bad bill. However, we are going to put it on the record that we are not happy with what is going on".

It is time for Canadians to recognize that members of the Liberal Party of Canada speak out of both sides of their mouths. They do it effectively. I want them to understand that Canadians will not accept that very much longer.

This is not the first piece of legislation to help wealthy Canadians. In the budget last February the government dealt with family trusts. Family trusts are costing Canadian taxpayers millions and millions of dollars each year in terms of lost revenue, hundreds of millions of dollars over the course of the last four or five years. A family trust allows very wealthy families to shelter their income and their assets from Revenue Canada. Therefore, they do not contribute in a fair way to the revenues of our country.

In the last budget the Liberals said they would do away with the family trust situation to obtain more money for the population of Canada. When? In 1995? No. 1996? No. 1997? Well no, it takes a bit of time to unwind these things. Maybe in 1999, a year or two after the next federal election is when the Liberal Party will address the issue. It is helping the very wealthiest families and corporations in Canada.

The New Democrats are four square against this sort of priority when there are a large number of people who are unemployed, when the unemployment insurance program is under attack, when education is being cut back and when there is a vicious, unrelenting attack on medicare. The New Democrats will continue to stand up for ordinary Canadians on these issues, including fair taxation. We are asking the government to reconsider the bill, to make amends and to return it to the Senate, telling the Senate that we will not pass the bill.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I wanted to rise today to say that I consider this entire debate to be pathetically irrelevant. I reflect on the words of the hon. member for Kamloops that it is a frosty Friday when we have a member of the Reform Party agreeing with a member of the New Democrats.

We should be bringing forward issues like true tax reform, such as the hon. member for Broadview—Greenwood and our member for Calgary Centre have suggested. We should be bringing forward legislation for proper protection, particularly under the CPP and protection for seniors. We should be bringing forward realistic reform to health care and returning room to tax and powers to the provinces. I look at the Order Paper and see that in addition to this totally irrelevant and pathetic Bill S-9, the next orders of government are: Bill C-90, the Minister of Finance, an act to amend the Excise Tax Act and the Excise Act; Bill C-106, the Minister of Justice, an act respecting the Law Commission of Canada; and Bill C-105, the Minister of Finance, Income Tax Conventions Implementation Act. We should be doing some real legislation in this House.

(1325)

It is a very unusual day but I underscore the fact that I stand very strongly behind the member for Kamloops when I say that this bill along with the rest of the legislation that is being brought forward by this government is pathetically irrelevant. Why not bring something to this House that has some meaning to the people of Canada?

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I rise to speak on Bill S-9 to draw out some of the points that are in the bill. First I want to congratulate my colleague, the member for Gander—Grand Falls, for bringing this important issue forward in a number of ways.

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There are a number of good points in this bill and there are a couple of points I have very grave and serious concerns about. It is important to try to put on the record what some of those changes are so that we can distinguish between the areas of concern and the areas that may be positive.

The agreement makes a number of important changes to the earlier treaty, including bilateral reductions in withholding tax rates and dividends, interest and royalties reflecting the rates now accepted and enforced between most industrialized countries. That is an area I have some concern with.

A complete withholding tax exemption for payments for the use of technology, I think is a good point.

There is significant relief for Canadian residents from the application of United States estate taxes, increasing the maximum estate tax exemption from \$60,000 to between \$600,000 and \$1.2 million U.S.

The expansion to the exemption from United States tax for income earned by RRSPs, RRIFFs and Canadian pension plans is a good point.

There is the authority to impose withholding on CPP and old age security payments made to American residents. The 1980 treaty by contrast allowed only the state of residence to tax such payments.

There are two other points I should mention. There is the provision for mutual assistance in the collection of taxes owed by a citizen of one country who resides in the other, thus assisting in the prevention of tax fraud and evasion. Finally, there is authority to enter into arbitration to resolve disputes where the two countries' revenue authorities cannot agree.

My point is that there are good points in the bill but also some areas that we should be concerned about. I want to draw attention to my major area of concern. I agree fully with the member for Gander—Grand Falls on this point. The member raised it in his point of order with the Speaker. He referred to a letter dated July 17 from the Minister of Finance. That letter makes these points. I quote from that letter:

I am not aware of the basis for your suggestion that the cost associated with the reductions in withholding tax rates and certain dividends will total \$250 million annually. The only estimates that have been made post that figure at \$125 million for 1995–96 and \$145 million for 1996–97. It is important to note that these figures do not attempt to account for the effects of increased investment and the consequential growth of income tax revenues that may be anticipated because of the steps we are taking to bring our withholding tax rates in line with our major trading partners.

That is the nub of the issue. To me the statements indicate there is certainly a benefit to the wealthy in that part of the bill which I have to be concerned about. To be up front about it, one of the concerns I have about this Parliament is that I firmly believe for a Parliament to operate effectively, one has to have good government and good opposition.

(1330)

I am amazed. I am extremely angry at what I hear from the opposition parties in terms of the issues sometimes. They have failed in previous debates to draw out these points so that they can be looked at early enough to try to address them.

The Reform Party is always willing and able to criticize some of the social programs in Atlantic Canada, to criticize the unemployment insurance program. Here is a case where there are benefits to the wealthy and its members have kept mum and been highly supportive. As members of a good opposition party, they did not even draw out these points in debate.

I am confident as a member of the government that there will be a counterbalance found in future legislation to reinstate some of the money back into the tax system, either by looking at RRSPs, corporate taxes or other taxation. As the government whip said in his speech, there are certainly some areas where we will gain finances as a result of this bill in terms of what is happening to the American residents.

In the future we have to find a counterbalance to the mesh, to the finances, that have been lost as a result of the tax dividends being forgiven here.

I would hope and encourage the government to look at that in the future.

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

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion 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 76(8), a recorded division on the proposed motion stands deferred. The next question is on Motion No. 2.

[*Translation*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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The Deputy Speaker: All those in favour 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 76, a recorded division on the motion now before the House stands deferred.

[English]

The House will now proceed to the taking of the deferred divisions at the report stage of the bill now before the House. The first vote will be on Motion No. 1.

Call in the members.

(1335)

And the bells having rung:

The Deputy Speaker: It has been proposed that the matter be deferred until 5 p.m. this day.

Some hon. members: Agreed.

* * *

EXCISE TAX ACT

The House proceeded to the consideration of Bill C-90, an act to amend the Excise Tax Act and the Excise Act, as reported (without amendment) from the committee.

Hon. Jon Gerrard (for the Minister of Finance) moved that the bill be concurred in.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

(Motion agreed to.)

[Translation]

The Deputy Speaker: When shall the bill be read a third time? With the permission of the House, now?

Some hon. members: Agreed.

Mr. Gerrard (for the Minister of Finance) moved that Bill C-90 be read for the third time and passed.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Bill C-90 contains legislative provisions permitting the implementation of a number of amendments to the excise tax announced earlier this year.

Most of these proposals are linked to amendments announced in the February 27, 1995 budget, including amendments to the air transportation tax, the excise tax on gasoline, the marking requirements on tobacco products for sale in Prince Edward Island and the seizure and notification provisions relating to violations of the Excise Act.

Other proposals concern amendments to rates of excise tax on tobacco products for sale in Quebec, Ontario and Prince Edward Island. These amendments were announced in February and March along with provincial tax increases on tobacco.

[English]

Let me begin by addressing the key budget measures contained in Bill C-90. First, proposed changes to the air transportation tax will enable the government to recover a greater proportion of the costs of the air transportation services and facilities that are used by air travellers.

The proposed amendments to the Excise Tax Act will increase the maximum air transportation tax on higher priced domestic and trans-border air travel and the tax on international air travel purchased in Canada from \$50 to \$55.

In addition, the maximum tax on trans-border air travel subject to the United States' 10 per cent air transportation tax and the tax on international air travel purchased outside Canada will increase from \$25 to \$27.50.

These changes to the air transportation tax, effective May 1, 1995, will generate additional revenues of \$27 million in the 1995-96 fiscal year and \$33 million in the 1996-97 fiscal year.

Second, Bill C-90 proposes an increase in the rates of excise tax on gasoline equal to 1.5 cents per litre effective February 28, 1995.

In a budget that focused almost entirely on reducing the spending of government and delivered expenditure cuts by a margin of seven to one over tax increases, a move that I know was applauded by members of the Reform Party, this measure is necessary to raise an additional \$500 million per fiscal year to ensure that the government meets the deficit reduction targets that are integral to a strong and growing economy. The Minister of Finance has reaffirmed repeatedly the government's commitment to meet the deficit reduction targets outlined in the budget in 1995 and will undoubtedly reaffirm those in the next budget.

(1340)

Third, in addition to these rate changes affecting the air transportation tax and gasoline, Bill C-90 also enacts

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amendments to the marking requirements for tobacco products for sale in Prince Edward Island. These amendments will phase out the sale of black stock or unmarked tobacco products in Prince Edward Island and allow for the sale of Nova Scotia marked tobacco products in the province.

This change in the tobacco marking scheme is being undertaken at the request of the two provinces and will allow for greater efficiency in serving the Prince Edward Island market.

The final budget measure contained in Bill C-90 concerns the seizure and notification provisions in respect of offences under the Excise Act.

The proposed amendments will rectify certain enforcement difficulties by allowing officers discretion in their ability to seize vehicles while stipulating that reasonable efforts must be undertaken to provide notice of seizure to known third party interests.

The bill also implements important changes in respect of excise tax rates for tobacco products for sale in Quebec, Ontario and Prince Edward Island.

As all hon. members are aware, modest federal excise tax increases were announced earlier this year in conjunction with provincial tobacco tax increases in these three provinces.

These tax increases follow the success to date of the national action plan to combat smuggling in significantly reducing contraband tobacco activity and restoring the domestic tobacco market to legitimate Canadian wholesalers and retailers.

In Quebec and Ontario, federal excise tax rates are being increased by 60 cents per carton of 200 cigarettes, while in Prince Edward Island excise taxes are being increased by \$1 per carton of 200 cigarettes and 32 cents per 200 tobacco sticks.

The excise tax increases in respect of cigarettes for sale in Quebec and Ontario are effective February 18, 1995 while the increases in respect of cigarettes and tobacco sticks for sale in Prince Edward Island are effective April 1, 1995. These changes will generate an additional \$65 million in federal revenues on a fiscal year basis.

Emphasize the importance of the provisions contained in Bill C-90, notwithstanding the flippant remarks made by the hon. member of the Reform Party while speaking earlier and saying that the legislation on the government's agenda was unimportant.

The proposed changes to the air transportation tax and the excise tax rates for gasoline are an important part of the government's commitment to increased cost recovery and deficit reduction.

Amendments to the tobacco marking scheme will allow for greater efficiency in serving the Prince Edward Island market, while amendments to the seizure and notification provisions of

the Excise Act will improve the delivery of enforcement activities.

Finally, the changes to the excise tax rates for tobacco products for sale in Quebec, Ontario and Prince Edward Island represent important first steps toward the long term restoration of uniform federal excise tax rates for tobacco products across Canada.

[*Translation*]

I encourage my colleagues to pass this bill without delay.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, Bill C-90 is now at the third reading stage. We have already had an opportunity, as the official opposition, to state our position on this bill at the second reading stage and in committee, the Standing Committee on Finance.

Although some of these measures may be positive, there is one that bothers us particularly, so much so that we would vote against this bill. I am referring to the proposal to increase the excise tax on gas by 1.5 cents per litre.

I will be brief. I want to make a connection between this debate and the one we had when we were discussing the excise tax on cigarettes.

(1345)

In fact, this bill contains measures that would bring about a gradual upward adjustment of the tax on tobacco products. Of course we all realized at the time that the purpose of the drastic reduction in taxes on tobacco products was to destabilize smuggling networks. However, everyone agrees that now the price is so affordable it could have a disastrous impact on the demand for these products in the long term. The lower the price, the better a product sells.

No one objects to an adjustment. However, we should be careful not to do this too quickly and in the process give the smuggling networks a chance to regroup and take control again.

That being said, the government still has a duty to monitor the situation, because there are other ways besides taxation to ensure that people engaged in smuggling various products are arrested. This still goes on. It is still the case for various kinds of products. Enforcement is not as strict at that level. Much remains to be done to improve the way we deal with various smuggling networks.

As far as the excise tax on gas is concerned, everybody knows it can be very irritating, and it is so easy for the government, when it needs money quickly, to use the excise tax on gas, because this is instant revenue. We are talking about \$500 million which the finance minister quickly took out of taxpayers' pockets.

It is hard for the consumer to see this happening, because when the price of gas goes up at the pump, the consumer is not sure whether the price of oil has gone up or the retailer, the

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manufacturer or someone else has raised his profit margin or whether the government has just increased the excise tax.

Unlike other types of products, when we buy gas, it does not say what proportion of the price we pay for a litre of gas is actually taxes. It is just as well, because taxpayers would be even more furious with the various governments. They would be constantly reminded of all the taxes levied on gasoline products.

In this case as in the case of tobacco products, when the government goes to the other extreme and tax levels rise beyond the acceptance threshold, taxpayers feel they have every right to buy contraband goods. We may deplore it, but the taxpayers' feeling is that this is a legitimate action they are taking.

We must not do anything to bolster this trend, because we know all the problems there are with the underground economy, the black market economy. At some point, the tax on gasoline reached the limit people would bear. We feel that any increase will only contribute to pushing consumers toward the underground economy, which is extremely counterproductive for everyone. It is counterproductive not only for the taxpayers who make use of it, since those using the black market economy are penalizing themselves without knowing it, but also for everyone in the long run. At some point we have to learn our lesson.

It does not seem that we have learned any lesson from what happened with tobacco products. Certain products in a number of different areas are still being heavily taxed.

However, it is not abnormal for there to be higher taxes on gasoline than on other products, because of the environmental effects everyone is aware of. Steps must be taken to ensure that when what the economists call externalities result from the consumption of a product, there are provisions to make the users bear the cost of those externalities. At some point, however, there is some uncertainty as to whether we have gone too far in this.

Essentially, we strongly disagree with this measure and feel that raising the tax again by 1.5 cents a litre in his last budget was not the route the Minister of Finance ought to have taken. We do not feel this is a measure that will contribute to any great extent to economic recovery. Everyone knows that there is a lot of work to be done on the expenditure side. If the Minister of Finance has no ideas of his own, we might suggest that he hasten before the finance committee to discuss it, something he has refused to do because of his fear of presenting his financial statements before the referendum. That is understandable.

If he wants to discuss it in more detail, we invite him to do so. This will provide us with the opportunity to debate the matter with him and to point out that there may be other avenues he ought to explore when he needs to balance his books, instead of constantly digging into the taxpayers' pockets for more revenue.

(1350)

Therefore, essentially, it is our intention to oppose adoption of Bill C-90 on third reading and, as I have said, it is because of this measure. There are others on which I have not spoken but which we were able to bring up during second reading or in committee on which we do agree. We have a major disagreement with this one.

[English]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I am pleased to rise today to speak in opposition to Bill C-90. This is a Liberal taxation bill. I want to comment on how easily the words "Liberals" and "increased taxation" flow together; they seem to be a naturally united phrase.

This bill amends the Excise Tax Act and the Excise Act in order for the Liberals to bring in the increased taxes they proposed in their budget last February. Mr. Speaker, I am sure that you and probably every other working Canadian will agree that this country simply does not need any more new taxes. Canadians are probably one of the most overtaxed people in the entire world, and we have a government in power that is intent on continuing to make sure we do not lose that mantle of taxation.

Taxation ultimately drains the lifeblood out of our economy. This is something Canadians are very aware of and very concerned about, how the high taxation levels in our country have such a devastating effect on the economy. We will talk about two areas of harmful effects of taxation, which probably account for 90 per cent of how we build and keep our economy buoyant, and that is investor confidence and consumer confidence.

High taxation levels have delivered a tremendous level of uncertainty to the investors, the people who would build and expand businesses in our country, who would hire Canadians to run their factories and operations, creating jobs in the country. Because of the rising taxation levels there simply is no certainty of the future for these investors, who have no incentive to increase their investments.

The average working person in Canada probably has less disposable income than ever before. There is no certainty that disposable income will not continue to shrink. Therefore consumer spending has been drawn back, thus creating a harmful effect on our economy.

The Liberals respond not with a plan to decrease their spending, to decrease their deficit spending, not with a plan to offer some tax relief to Canadians, the two things that would probably serve in more ways than any other measures to restore some buoyancy to our economy. No. The Liberal Party does not respond with these two natural solutions. Instead, they implement more

taxation in their February budget. Now they are seeking the authorization to put that into force.

Prior to the election in 1993, the Reform Party said that if the Liberal government were elected, using its own red book predictions on the financial aspect, over the term of this 35th Parliament the Liberal government would add \$100 billion to our national debt and would increase the annual interest payments on that debt by some \$10 billion. That is \$100,000 billion and \$10 billion. The Liberal Party is right on target.

(1355)

By the end of the 35th Parliament our national debt will have increased by \$100 billion, our interest payments on that debt will be up somewhere in the neighbourhood of \$50 billion to \$52 billion, and all because the Liberal Party has not taken what could be considered a common sense solution to the financial crisis in this country, which is to reduce taxes and reduce its deficit spending. Instead the Liberals chose to increase taxes. Bill C-90 gives them authorization to implement, for example, the 1.5 cent a litre tax on gasoline, which is going to add \$500 million more taxes on the middle class alone.

While the government talks about tax fairness, in its last budget it in fact raised taxes by over \$1 billion. In fact if we look at tax increases in the last two government budgets, the Liberals have increased taxes by about \$2.5 billion, with another \$500 million in user fees or hidden taxes.

Canadians should be pleased that these increased taxes have been put to good use. I will give some examples of Liberal good use. The U.S. Department of Energy—this is small potatoes, but there are about 5,000 of these, I understand—received a \$35,000 grant from the Canadian government. The United Steel Workers of America received \$116,000 from the taxpayers of Canada via the Liberal government. Here is a good one: the Prison Art Foundation received \$51,000 from the Canadian taxpayers, compliments of the Liberal Party. The Feminist Literacy Workers Network received another \$57,000 from the taxpayers of Canada, thanks to the Liberal government. This is only part of about 5,000 or 6,000 of these grants that have gone out.

This type of money does not fall down from the sky in some miraculous manner. We do not pick it off a tree, as some Liberals would like to believe. This kind of money comes from the pockets of hard working Canadians, who are among the most highly taxed people in the world.

It is said that the average middle class Canadian worker in this country in all forms of taxes pays about 63 per cent of their gross income in taxation. In a country as rich as Canada is, with the potential and the opportunity Canada has, the fact that Canadian workers are paying this much taxation out of their gross income is absolutely obscene.

S. O. 31

The Speaker: My colleague, of course you will have the floor, should you so desire it, after the question period.

It being 2 p.m., we will now proceed to Statements by Members. The hon. member for Dartmouth.

STATEMENTS BY MEMBERS

[*English*]

GOVERNOR GENERAL'S AWARD

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, it is a real pleasure for me to rise in this House today to acknowledge the contribution to Canadian life by Carolyn Thomas, who is an outstanding Canadian and who is a constituent of mine.

Mrs. Thomas, from the community of East Preston, yesterday was the recipient of the 1995 Governor General's award in commemoration of the persons case. This is a particular honour for me because I have known Mrs. Thomas and worked with her and her husband since I was elected to this House in 1988. In that time I found her to have dedication and determination practically unrivalled in my community, not only pertaining to the betterment of women, but for the betterment of her community of East Preston, the oldest indigenous black community in Canada, and for Canadian society as a whole.

In addition to her work in the struggle for equality for women, over her lifetime Carolyn has been a visionary in her struggle for human rights and better race relations. She was a founder of the Human Rights Commission in the province of Nova Scotia and continued her good work with them for 23 years.

I ask that my colleagues here in the House and the people of the great city of Dartmouth and—

* * *

[*Translation*]

POVERTY

Mr. André Caron (Jonquière, BQ): Mr. Speaker, the international day for the elimination of poverty provides an opportunity for all Quebecers to take a moment to reflect on the dramatic living conditions of some of our fellow citizens.

Nearly a million and a half Quebecers live below the poverty line. We live in a province that suffers from the highest rate of poverty in Canada, by far. Despite all the efforts of the Government of Quebec, one child in five in Quebec comes from a poor family. Quebec seniors continue to be much poorer than seniors anywhere else in Canada. We are struggling with a huge problem that is tearing us apart.

S. O. 31

Quebec must become sovereign so its government will have the means to combat poverty effectively. This is why Quebecers will vote yes.

* * *

[English]

SPORTS ILLUSTRATED

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, this week, for the first time ever, Canadian MBA teams took to the courts to the great delight of their fans across the country. How ironic that at the same time as we are welcoming the MBA to Canada we are closing the door on North America's largest sports magazine, *Sports Illustrated*.

Essentially the government has said that *Sports Illustrated* cannot be allowed split runs in Canada because SI is too efficient in its production and too effective in attracting readers and therefore advertisers. By all means let us not encourage that; we do not want people to go around thinking it is all right to be efficient and successful.

By shutting *Sports Illustrated* out of Canada the government is taking a 200-year leap back in time. While other Canadian communications technologies compete head to head with companies from around the world, the magazine publishing industry in Canada has adopted the views of communist Bulgaria.

Sadly Canadian magazines will be the big losers in this policy. If advertisers cannot reach their market in magazines they will do so in other media that do not respect laws issued by sentimental Canadian regulators who pine for the good old days before the telegraph.

* * *

HEALTH CARE

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, as NDP health critic on April 2, 1994 in third reading debate on the Canada Health Act, I welcomed the move to eliminate extra billing and user fees. I also asked the Liberal government of the day, which was the first federal government to unilaterally cut back on federal transfers, "to sit down with the provinces and renegotiate that funding relationship so we can have a full fledged financial partnership with respect to medicare".

The Liberal government's new Canada health and social transfer with its \$7 billion cut is just another Liberal unilateral cut and a further erosion of the partnership that was medicare.

Dealing with private clinics is one thing, but it is a form of straining out gnats while swallowing camels if the federal government continues to set up medicare for destruction by starving it to death.

When it comes to medicare the Liberals are into a form of passive euthanasia that plays into the hands of those who would like to actively destroy it by what I would call right wing assisted suicide.

* * *

MAY COHEN

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I rise in recognition of Dr. May Cohen of Burlington, Ontario, a keen promoter of women's health issues and a powerful advocate of gender equality in the medical profession. She was a recipient yesterday of the 1995 Governor General's award in commemoration of the Persons case.

A physician, researcher, educator and activist, Dr. May Cohen has repeatedly challenged the medical profession on the way it deals with the health concerns of women patients. As a volunteer and in her capacity as Associate Dean of Health Services at McMaster University's faculty of health sciences, she has taken a lead on an impressive array of issues, including gender equality, sexual harassment, sexual abuse of patients by physicians, the role of women in the medical profession and women's health in the context of women's lives.

I ask colleagues to join with me in celebrating Dr. May Cohen's achievements and extraordinary commitment to women's health. Her family and friends are justifiably proud, and so am I.

* * *

ALICE E. TYLER

Mr. John Loney (Edmonton North, Lib.): Mr. Speaker, as we approach the anniversary of the Persons case I am honoured to pay tribute to Alice E. Tyler of Edmonton, Alberta, the province where the Persons case got its start.

Alice Tyler has made the portrayal of the famous five champions of the Persons case and the promotion of their accomplishments a major focus of her life's work. In recognition of her efforts Alice Tyler was recognized as a recipient of the 1995 Governor General's award in commemoration of the Persons case.

Alice Tyler's portraits of the famous five in the Persons case have been hung in the Alberta legislature, the Edmonton Law Courts Building and the Edmonton City Public Library. They have been displayed elsewhere in Canada and abroad.

(1405)

On a personal level, she has always been an ardent believer in the abilities of women. During her 24-year career as a high school art director she consistently encouraged young women to live up to their potential, helping many to set their sights on meaningful careers.

S. O. 31

For her unique efforts to preserve the legacy of the Persons case, Alice E. Tyler is a most deserving recipient of the 1995 Governor General's award in commemoration of the Persons case.

* * *

RUTH FLOWERS

Mr. Fred Mifflin (Bonavista—Trinity—Conception, Lib.): Mr. Speaker, I rise to acknowledge the singular contribution made by Ruth Flowers of Makkovik, Labrador, a recipient of the 1995 Governor General's award in commemoration of the Persons case.

The voice of the women in her community, she has sought to protect women victimized by violence, to involve women in community economic development and to preserve and promote the traditional culture of Inuit women.

A committed advocate of women's rights, Ruth Flowers was the catalyst behind the creation of Inuit Women of the Torngats and its first president. Under her leadership the organization established the first safe house for abused women on Labrador's north shore.

For her dedication and selfless efforts on behalf of the women of the north shore of Labrador, the Government of Canada has today honoured Ruth Flowers with the 1995 Governor General's award in commemoration of the Persons case. I ask all colleagues to join me in conveying our congratulations.

* * *

[Translation]

FRANCOPHONES OUTSIDE QUEBEC

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, by causing the Centre francophone de santé et de services communautaires in southern Ontario to close, the Harris government has just revealed its true intentions with regard to Ontario francophones.

For Franco-Ontarians, the message is clear: if you really want services in French, move to Quebec. This action, which speaks volumes, unfortunately confirms that Quebec's presence in Canada does nothing to prevent decisions that flout the fundamental rights of francophones outside Quebec.

Where is the member for Glengarry—Prescott—Russell, the self-styled defender of francophone rights? Why is he hiding when it is time to act? There is no longer any doubt, the future of the French speaking community in North America lies in a sovereign Quebec.

[English]

CLAUDE BENNETT

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, recently the Prime Minister stated in the House:

Any citizen can request information from government departments. It is in keeping with our government's policy of openness to provide as much information as possible.

Why then is the government denying access to information requests regarding the severance package for Claude Bennett, the former chair of CMHC. Mr. Bennett agreed to step down last August after a back room cabinet deal sweetened his severance package.

It is time the government came clean with its backroom deals. Either we have a policy of openness as the Prime Minister states or we do not, or perhaps the policy is opaque as recently stated by the parliamentary secretary.

Mr. Bennett's severance package was paid for with taxpayer's dollars, yet now the government is blocking requests to divulge the details of the deal. So much for open government.

* * *

SHEILA KINGHAM

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, on behalf of the Government of Canada I am proud to salute Sheila Kingham of Victoria, British Columbia, for her many years of service on behalf of rural women. Today Ms. Kingham received the Governor General's award in commemoration of the Persons case.

Ms. Kingham's accomplishments have been many. An articulate and persuasive public speaker, she has given countless presentations and briefs on topics ranging from the rape shield law to women's health. She has encouraged others. As a firm believer in the power of collective action, she has helped other women to organize and lobby for advances in all areas of women's political, social and economic equality.

[Translation]

Mrs. Kingham created the position of rural co-ordinator for the Manitoba Action Committee on the Status of Women and helped establish the Western Manitoba Coalition for equality rights in the Canadian Constitution, an organization formed to give voice to the concerns of rural women about constitutional change.

I am sure all members of this House will agree that Sheila Kingham is most worthy recipient of the 1995 Governor General's award.

S. O. 31

MARTHE ASSELIN VAILLANCOURT

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I pay tribute to Marthe Asselin Vaillancourt of Jonquière, Quebec, one of the recipients of the 1995 Governor General's award in commemoration of the Persons case.

A long-time educator, researcher and grassroots activist, Marthe Asselin Vaillancourt has never missed an opportunity to improve the status of women.

(1410)

Over the years, she has spoken out regularly on sexual assault, pornography, employment equity and family violence.

Within her community, she was the initiator of and the driving force behind the establishment of a shelter for women and the development, in co-operation with the Quebec provincial police, of a pilot project to oppose violence against women. This project resulted in the establishment of the Centre d'aide aux victimes d'actes criminels de Chicoutimi, which she currently heads.

She has served as national co-chair of the Canadian panel on violence against women, which conducted the first national study in the world on this serious social problem.

* * *

REFERENDUM CAMPAIGN

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, the people of Quebec will be deprived of the opportunity to view a television debate between the presidents of the committee for the yes side and the committee for the no side during the present referendum campaign.

A consortium of television broadcasters has announced that the deadlines for organizing such an event cannot be met and consequently it will not take place.

Despite repeated appeals from the no side for such a debate to be held, and despite all of the concessions made, the yes side continues to refuse a public debate on the basic issues.

After successfully blocking the television debate, now the yes side is pulling the leader of the Bloc Québécois out of the House so that he will not have to defend his statements concerning the plan for separation.

Following the example of the separatists' saying "no" to debate and to the disclosure of information, on October 30 the people of Quebec will vote "no" to separation.

* * *

REFERENDUM CAMPAIGN

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, this morning the Leader of the Opposition, accompanied by Françoise David, President of la Fédération des femmes du Québec, had the opportunity to explain what he said this past weekend.

Those of us who are in favour of change feel it is imperative for parents to be given assistance in reconciling jobs and family responsibilities. It is not a matter of making people have more children than they want.

In a sovereign Quebec what we are aiming at is better paid parental leave, increased services for young children, more daycare spaces, more flexible working arrangements.

The women of Quebec do not wish to be used as a red herring. Quebecers, both men and women, want the focus to be on true debate, not on blackening the character of a man of integrity, a man without a racist or sexist bone in his body.

* * *

[English]

JUSTICE

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, over and over again Reformers in the House have tried to tell the Liberal government that Canadians want their safety and the safety of their families to be the top priority of our justice system.

In two days time, on Thursday night in Oshawa, the Reform message that the rights of law-abiding citizens must come before the rights of criminals will be reinforced by hundreds of Ontarians in a rally at the civic auditorium.

The Reform Party leader joined by the justice critics, the hon. members for Calgary Northeast, Crowfoot and Wild Rose, will deliver Reform's clear common sense plan for strong and effective changes to Canada's justice system.

Canadians are tired of having to look back over their shoulders in fear rather than ahead in security and confidence as they build their lives and their futures.

*Oral Questions***ORAL QUESTION PERIOD**

Reform is committed to solid measures to safeguard the future of Canada. I invite Canadians everywhere to look at what we are proposing and to give us their support.

* * *

*[Translation]***REFERENDUM CAMPAIGN**

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, yesterday the PQ premier made a great effort to minimize and make a mockery of the significance the public attaches to what the leader of the Bloc had to say about the low birth rate of the white race in Quebec.

When questioned as to the meaning of what his separatist colleague had said, the leader of the Parti Québécois found nothing better to reply than “So what would you have me say? The pale-faced race?”

Whether white or coloured, Quebec women are, just like Quebec men, persons who will be called upon shortly to decide the future of Quebec.

The tendency of the yes side to pigeonhole people according to sex, language or race does not correspond in the least to the values of our society.

This coming October 30, the women and men of Quebec will be saying no to a project that seeks to divide them.

* * *

(1415)

REFERENDUM CAMPAIGN

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, the imagination of the people who design the ads for the separatists has no bounds. Yesterday, the yes committee placed an ad in several Quebec newspapers, showing a page of help wanted ads, under the heading: “This is how we see the future”.

The jobs offered in the ad for the yes side included the following: “Sexy waitress required for new bar on South Shore”; “Barmaid required, experienced, nice appearance”. Another ad: “Sell pantyhose from your home”. Listen to this: “Sexy restaurant-bar requires pretty waitress and sexy barmaid, nice personality. Duties: lunch, dinner and manager”. Yes, those were the duties.

Since yesterday, the yes side has been trying to provide an explanation for what its leader said, but they have their work cut out for them. On October 30, the women of Quebec will say no to those who would determine their future for them.

*[Translation]***THE CRTC**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, first of all, I want to say I am appalled at the statements made by the Minister of Intergovernmental Affairs who said this morning that Quebec sovereignists were racist. I think that is entirely unacceptable.

My question is directed to the Prime Minister. Increasingly, francophones see their language and culture threatened in Canada. The CRTC, whose mission includes preserving the cultural identity of francophones in the broadcasting sector, is being forced to shift its decisions as we saw recently when an exemption was granted to Power DirecTv for the use of an American satellite for television transmissions.

Now that Power DirecTv has applied to the CRTC for a broadcasting licence for pay per view television, what guarantees do francophones in Quebec and the rest of Canada have that the regulations now in effect at the CRTC will be enforced this time, unlike what happened in this recent case before the CRTC?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, what is important is what it says in the act, and I am referring to the Broadcasting Act which established the CRTC. I am very pleased that the CRTC will consider representations on the subject raised by the hon. member. That is how the legislation works, and it is there to protect Canadian content on our airwaves.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, since the minister has decided to come out of his shell, we will ask him about the CRTC.

Would he agree that Power DirecTv’s application for permission to broadcast 63 English channels, 60 of which are American, and only one French channel on pay per view will leave the door open for Canada and Quebec to become a mere extension of the American market, which would be extremely harmful to the French fact in America?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, obviously, in Canada the interests involved can apply for whatever they want, but it is up to the CRTC to decide. It makes its decisions on the basis of the legislation, the Broadcasting Act to which I referred earlier.

When the CRTC has made a decision with respect to a licence, that decision can be appealed to cabinet. That is how the legislation works, and its purpose is to protect Canadian content.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the House will recall that in a recent case, when the minister was gagged by the leader of the government, CRTC regulations were

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circumvented to ensure that Power DirecTv obtained a special authorization.

(1420)

My question to the minister raises the same concerns. How can the minister expect francophones in Quebec and Canada to feel secure in the belief that the federal government will protect the French fact and their cultural identity in the broadcasting sector, when we know perfectly well that recently, the federal government bent the rules of the CRTC to give Power DirecTv an advantage and that now the same company proposes a pay per view service including 63 English channels, 60 of which are American, and one French channel? How can francophones say they are being well defended by this government?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the hon. member's question would be valid if it were based on fact, which it is not. The federal government never violated the act and never instructed the CRTC to contravene the act, on the contrary.

We wanted to ensure there was no penetration of Canada's airwaves via American satellites. We acted for the purpose of protecting Canadian content.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, cultural groups in Quebec rallied together yesterday to ask the CRTC to not compromise the present linguistic balance in broadcasting, specifically by granting a licence to Power DirecTv. For its part, the federal government claims to be acting, again in the case of Power DirecTv, in the name of free competition. This new episode demonstrates that Quebec has no control over its broadcasting environment.

Will the Prime Minister acknowledge that the Power DirecTv project would seriously compromise the linguistic balance of the Quebec broadcasting system and consequently risk weakening Quebecers' cultural identity? Is this what awaits Quebecers following a no vote in the referendum?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the CRTC has received a number of applications for licences. Next comes the perfectly natural process whereby they are heard, everyone's comments are heard, those in favour and those opposed—this is the point of the process.

The government will not intervene in the debate, because the law prevents it. We will, however, see at the end of the process whether the CRTC's decision is wise and, if it is not, interested parties will certainly be appealing to the government. At that point, we can decide. Let us allow the process to take its course, and then we will have some answers.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, does the minister acknowledge that, in the present

federal context, Quebec has no power over broadcasting enabling it to protect its cultural identity against the massive influx of new English language television channels into Quebec? Is this not another good reason to vote yes in the referendum?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I would like our colleague to respond to questions I have often put to my friends in both the Bloc and the Parti Québécois.

As a country separated from Canada, how is Quebec going to block the American programs that spill over its borders via satellite? They will need the mechanism that we already have—the CRTC and the Broadcasting Act.

They should be delighted to have such a mechanism and vote no.

* * *

[English]

HEALTH CARE

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, the Canada Health Act will not allow private clinics to provide services that are insured by medicare. Most Canadians feel they should have a choice if medicare does not meet their needs.

(1425)

Will the health minister finally agree to amend the Canada Health Act to allow fully opted out private clinics in Canada?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, unlike the opposition Reform Party, we have stood by our red book promises. We have said that we would continue to support the five principles of medicare. The medicare we have in Canada is one of the great reasons why it is wonderful to be Canadian.

We have a system where it matters not how wealthy you are. What matters is how sick you are. That is the way it should continue to be. We should use our resources the best way possible to have the best technologies, the best pharmaceuticals in order to treat our sick Canadians and make them healthy.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, I have trouble figuring out why waiting lists do not seem to bother the Liberals.

An American firm is now selling waiting list insurance for Canadians. If you have to wait more than 45 days you can ship off to the states. Not only do the Liberals say line up and shut up but they also say ship out.

What is the minister doing to reduce waiting lists or is she content to have Canadians travel to the U.S. for medical attention?

Hon. Diane Marleau (Minister of Health, Lib.): Perhaps, Mr. Speaker, if the Reform Party really wants to know about

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waiting lists they should speak to the 38 million Americans who have absolutely no insurance at all.

Some hon. members: Hear, hear.

Ms. Marleau: Mr. Speaker, a survey conducted last year by the Alberta Consumers' Association found that ophthalmologists who only operated in hospitals had waiting lists for surgery of two to five weeks while those who worked in both private clinics and hospitals could perform surgery on a private patient in two to four weeks but a hospital patient could wait up to 20 weeks.

Private clinics are not necessarily the answer to long waiting lists.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, these are facts. The wait for elective heart surgery in Manitoba is over two years; for a hip replacement in P.E.I. it is over one year.

This minister clings to her bureaucrats and her beloved legislation—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Macleod.

Mr. Hill (Macleod): The minister clings to her beloved bureaucrats and her old-fashioned legislation. In the nineties that means medicare is literally bad for everyone.

Will the minister put health before petty politics and arbitrary deadlines, sit down with the provinces and reform the Canada Health Act so we will not have to choose between death on a waiting list or travelling to a foreign country?

(1430)

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I will work and I am working with the provincial governments to shape the future of medicare. The National Forum on Health is also working and will be consulting with Canadians.

When it comes to waiting lists in this country, allowing the wealthy to get to the head of the line does not shorten the line; it only pushes others to the back.

* * *

[Translation]

FRANCOPHONES OUTSIDE QUEBEC

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Prime Minister.

After two years of Liberal government and 25 years of the Official Languages Act, the situation of francophones outside Quebec continues to worsen. One third of them now speak English at home. In British Columbia, the assimilation rate is even 75 per cent. So now we are not speaking of more than a million francophones outside Quebec but rather of 640,000 who are still using French.

Will the Prime Minister admit that the poor results obtained from the Official Languages Act shows the failure of his vision of Canada, since it has not been successful in blocking the increasing assimilation of francophones outside Quebec?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, recently the magazine *L'Actualité* reported that Canada has made more progress in recent years than any other country in the world with respect to the use of French.

I cannot understand the hon. member. She is prepared to abandon francophones outside Quebec. She is prepared to abandon the million francophones living outside Quebec.

They show no consideration for these people because they want to separate from Canada. We on the other hand want to remain within Canada because we want to offer real protection to those who really have the merit of speaking French, the francophones outside Quebec.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I would like to remind the Prime Minister that it is he who has separated us from Canada, it is not Quebec which wishes to separate from Canada.

Secondly, may I remind him also to consult the figures from Statistics Canada. There are one million francophones, yes, but just 640,000 of them use French at home and are therefore considered French speaking.

An hon. member: They are becoming assimilated.

Mrs. Tremblay: They have been assimilated.

Mr. Godin: Poof.

Mrs. Tremblay: The francophones—poof.

An hon. member: The francophones—poof.

Mrs. Tremblay: Does the Prime Minister then not acknowledge the very opposite, that the future of francophone culture in America rests with a sovereign Quebec, for only a sovereign Quebec will constitute the anchor point for all francophones. In it they will find a true and tenacious ally in solidarity with them, one that will defend their most legitimate demands everywhere.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this very day the newspaper representing francophones outside Quebec has asked Quebecers to vote no in the referendum, because the future of francophones outside Quebec depends on the federal Official Languages Act, and on the fact that there is a government here in Canada, in Ottawa, which has always defended francophones outside Quebec.

Certainly some people have more difficulty than others in retaining their French, but they do want to retain it. Not only that. Every year 350,000 English speaking Canadians learn French because they live in Canada, a country where there are francophones, and this raises the number of people speaking French in Canada and in the world. The reason French is alive

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and well in America is that the French have remained in Canada since Confederation.

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[English]

SOMALIA INQUIRY

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, yesterday Canadians were stunned by the admission of the defence minister that the National Defence Act will prevent certain charges from being laid at the conclusion of the Somalia inquiry.

(1435)

Yesterday, the Minister of National Defence told the *Globe and Mail* that charges could be laid under the Criminal Code of Canada. The chairman of the Somalia inquiry stated: "Most of the matters we will be dealing with might end up in some findings that could perhaps call for disciplinary action as opposed to criminal charges". As opposed to criminal charges.

Will the minister admit that there will be no judicial remedy for certain charges when the Somalia inquiry is finally concluded?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I answered this question rather clearly yesterday.

There is sufficient flexibility in the National Defence Act to ensure that justice will be done. The government well knew the statute of limitations on certain disciplinary matters under the National Defence Act when the inquiry was called. Indeed the justice who chairs the commission, Justice Létourneau, knows it well because he was a former judge of the court martial appeals court.

There are other ways in which justice may be done administratively. If the hon. member is afraid that those people if identified cannot be brought to justice or are somehow not going to be dealt with fairly, I assure him to the contrary.

This will be a matter that will be done in a very deliberate way after all the evidence is brought forward. I would like him to let the commission get down to work so that justice can be done.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, the minister knows full well that I am afraid of nothing, but the minister should be very afraid of his mismanagement of this entire affair.

I will read from the National Defence Act. It sets out a three-year limitation period for everything except mutiny, desertion, absence without leave, and death penalty offences. That is it.

Canadians know there is a separate code of law which applies to our military to enforce discipline and leadership which

expires in March 1996. Canadians want to know why the minister has so mismanaged the affair that now discipline and leadership cannot be enforced in our Canadian Armed Forces.

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member quite frankly does not know what he is talking about. He has cited rather selectively sections of the National Defence Act. I want to assure him that there are ways of dealing with culpability other than with criminal charges. He should go back and look at the National Defence Act and perhaps get some advice on how to interpret it and then come back with some decent questions tomorrow.

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[Translation]

FRANCOPHONE COMMUNITIES

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is directed to the Prime Minister.

Premier Roy Romanow of Saskatchewan, that great Canadian who was a party to excluding Quebec from the Canadian Constitution during the night of the long knives in 1982, said recently that if Quebec voted yes, that was the end of French school boards in Saskatchewan.

Does the Prime Minister intend to protest against this kind of blackmail at the expense of francophone communities, or does he agree with his 1982 accomplice?

[English]

The Speaker: My colleagues, this question is not the administrative responsibility of the Prime Minister. This question would be out of order but if the Prime Minister wants to answer it, I will let him answer it. If not, I will go on to the next question.

[Translation]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the best way to protect the education rights of francophones outside Quebec—which we put in the Canadian Constitution in 1982, it was not there before—the best way to ensure that French schools outside Quebec are protected by the Constitution adopted by this Parliament in 1982, when I was Minister of Justice, is to stay in Canada. The best guarantee francophones have is to stay in Canada.

When I see francophone members abandoning francophones outside Quebec, I find that shameful, Mr. Speaker.

(1440)

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I am asking the Prime Minister whether he dissociates himself from what was said by Premier Roy Romanow of Saskatchewan. That is what I am asking, and he is evading the question.

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Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Premier of Saskatchewan, like the other premiers today in Canada, has an obligation under the Canadian Constitution to protect French schools outside Quebec. If Quebec separates from Canada—

An hon. member: That is blackmail.

Mr. Chrétien (Saint-Maurice): It is not blackmail. There will be only one million francophones outside Quebec who will no longer have the support of francophone members from Quebec, like me and others who have spent their careers defending francophones outside Quebec here in the House of Commons. I have been doing that for 32 years. It produced results. But they want to abandon them because they want ambassadors from Quebec driving around abroad in their limos.

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[English]

CFB CHILLIWACK

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, in the February budget the defence minister announced the closure of CFB Chilliwack, the only land force base in British Columbia. Yet in a memo marked secret and prepared for DND just prior to that announcement, land forces command made the following observations: "Land forces command requires an army base to support the domestic operations in B.C. LFC feels Chilliwack is ideally suited to fulfil those operations. The closure of CFB Chilliwack should be opposed and CFB Chilliwack should be retained".

Why did the minister ignore the advice of his own officials and choose to close B.C.'s only land forces base, CFB Chilliwack?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, on the contrary, I accepted the advice of my officials. It was the department that recommended the consolidation of the army base in Edmonton with the closures of Chilliwack and Calgary.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, in another memo obtained under the Access to Information Act, Brigadier General Stephenson, director general of land forces development, questions whether there will be any savings by closing the base. Colonel Daigle of land forces command says that the cost of moving the engineering school for example will negate the savings achieved by closing CFB Chilliwack.

If land forces command argued it needed the base open for military reasons and the experts said that closing the base was not going to save any money, did the minister close the base because of mismanagement or did he merely choose to move it to Edmonton because his Liberal seatmates live there?

The Speaker: Colleagues, I would ask you to please consider not to impute motive in any sense. The first part of the question I would say is in order. The second part is not in order. If the hon. minister would like to answer the first part, I would give him that option.

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, again the hon. members opposite read selectively from documentation. They did not look at the full range of advice that was provided to the deputy minister and to the chief of defence staff. The fact is the savings generated by the closing of Chilliwack will be \$46 million a year.

I find it rather odd that the Reform Party, a party that comes into this House everyday and tells the government to cut spending, objects when that spending is cut close to home. "Not in my backyard" is the way Reformers play politics.

* * *

[Translation]

FRANCOPHONES OUTSIDE QUEBEC

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Prime Minister. In causing the closure of the Centre francophone de santé et des services communautaires in southern Ontario, the Harris government has revealed its true colours. For Franco-Ontarians, the message is clear: If you want services in French, move to Quebec.

How does the Prime Minister explain his silent complicity with Mike Harris, as he cuts services to francophones in Ontario?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am not aware of this matter. I will certainly look into it, because I intervened successfully in the matter of the French school in Kingston, not very long ago. I want to see if there is a valid reason. I find it absolutely incredible, however, that suddenly, two weeks before they want to leave Canada, they are worrying about the francophones outside Quebec, who will be left to their own devices if Quebec separates.

(1445)

But I can reassure francophones outside Quebec: do not worry. Quebecers—not the Parti Québécois and the Bloc Québécois—but Quebecers themselves will never drop francophones outside Quebec.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, it is nevertheless unbelievable. The Prime Minister, who claims to be the defender of francophones outside Quebec, is closing his eyes to the treatment being given francophones in southern Ontario. Is he confirming he is totally incapable of ensuring equality for francophones throughout Canada?

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Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member patted herself on the back. This is most uncommon. I like this last minute conversion. I like it because it gives me the opportunity to say once again that there may be problems, there have always been problems, things have always been difficult, but one thing is clear: francophones outside Quebec—

An hon. member: There are none left.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): Would the members who are francophones from outside Quebec please rise so that we can see there are still francophones outside Quebec?

Some hon. members: Hear, hear.

[*English*]

The Speaker: My colleagues, I would remind you that I am not in this game. I am the referee.

* * *

[*Translation*]

QUEBEC ECONOMY

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

According to a recent analysis by the Centre for Strategic and International Studies in Washington, an independent Quebec could accede to the various international treaties.

Can the minister explain to us the stages and steps a country must pass through to accede to NAFTA and to the World Trade Organization?

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 can quote some of the conclusions and even produce the report. Mr. Roh's main conclusion is as follows: An independent Quebec would have no automatic entitlement to existing trade agreements such as NAFTA, the World Trade Organization agreement and the Auto Pact. Accession to these agreements would have to be negotiated.

Second conclusion: American law does not allow the President of the United States to grant an independent Quebec access to the trade advantages it enjoys at the present time as part of Canada, until such time as Congress approves and implements such accession.

In addition, it would be a long and difficult process to negotiate accession by an independent Quebec to the WTO, NAFTA and the Auto Pact. Bowing to congressional and private

sector pressures, American negotiators would try to obtain changes in key sectors such as agriculture.

[*English*]

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BILL C-72

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, this entire House declared its opposition to drunkenness as a defence with the swift passage of Bill C-72.

(1450)

The decision of the Supreme Court to hear the case of convicted child murderer Alton Royer shows clearly that the unelected Supreme Court has ignored the views of the elected members of Parliament and millions of Canadians.

We were told yesterday that the justice minister is seeking intervenor status in this case. Could the justice minister tell the House what his objective is in doing so?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the government appreciated the support of all parties in respect of Bill C-72, which changed the criminal law in this country, as all hon. members know, to make it impossible for someone to rely upon their own self-induced intoxication as an excuse when they commit crimes of violence against another involving general intent.

The case to which the hon. member refers included acts that occurred at a trial that was held prior to the enactment of Bill C-72. Therefore, when the Supreme Court of Canada grants leave to appeal in that case it will consider the case in reference to the law as it stood at the time of the alleged acts. Bill C-72 will not have any application.

Carriage of that prosecution rests, of course, with the provincial attorney general. However, as the parliamentary secretary told the House yesterday, we are considering asking the Supreme Court of Canada to allow us to intervene. If we did so, it would be to provide whatever assistance we can to the court in deciding the issue presented by that particular case.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, as it seems there is some question as to whether Bill C-72 has been effective in preventing the use of extreme intoxication as a defence, what will the justice minister do to ensure that extreme drunkenness is not used as a defence in these cases?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I should emphasize for the hon. member that Bill C-72, which has now been approved by Parliament and proclaimed in force, is the law of the land.

I would simply point out that no such criminal law amendment is retroactive, so it would not affect a case that arose in the courts prior to its enactment. The case to which the hon. member referred is proceeding on the law as it stood before Bill C-72.

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I can assure the hon. member that the enactment of Bill C-72 did in fact change the criminal law in this country. It made it impossible from that date onward for anybody to rely upon their own act of intoxicating themselves to escape the consequence of criminal conduct when it involved violence against another and general intent.

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*[Translation]***FEDERAL PUBLIC SERVICE**

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is directed to the President of the Treasury Board.

According to the Official Languages Act, public servants in Ottawa-Hull have the right to work in their own language. However, in his latest report, the Commissioner of Official Languages confirmed that only 11 per cent of francophone public servants regularly write in French and that for three-quarters of francophones, English is still the only language of communication with their boss and at meetings at work.

Will the President of the Treasury Board acknowledge that the federal policy on language of work has failed pitifully in the Ottawa-Hull region and that once again, francophone employees are paying the price?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, it was a Liberal government that brought in the Official Languages Act. It is a Liberal government that has in fact advanced the cause of speaking in the official language of a person's choice in the federal public service right across the country.

There is more work to be done. We have recently put out a brochure, together with the Commissioner of Official Languages, to help encourage people to use the official language of their choice at their place of work in the federal public service. We will continue to try to improve the means of using the language of choice because that is part of this government's policy.

[Translation]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, the choice is there, but the result is always the same.

Would the President of the Treasury Board agree that federal public servants in Quebec working in the Ottawa-Hull region are treated by the federal government as second-class citizens and that only the sovereignty of Quebec would be able to make French a language of work in government offices located in the Outaouais?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Certainly not, Mr. Speaker. I hear French and English used frequently, constantly, every day in my work. I am sure others in this government do as well.

(1455)

We will continue to encourage people to use the official language of their choice. That is a commitment this government has made. It is made to the people of Quebec, it is made to the people of every part of this country, all francophones in Canada.

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ATLANTIC GROUND FISH STRATEGY

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Spending on the Atlantic groundfish strategy is spinning out of control. The Department of Fisheries and Oceans has now admitted that this year's deficit alone is \$105 million.

Last week the minister announced his so-called brilliant solution was to siphon money away from the \$300 million capacity reduction portion of the plan to cover the shortfall. Will the minister tell this House exactly how much of the \$300 million allotted for capacity reduction will be diverted and confirm what many fishermen already suspect, that there will be no further licence buybacks?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the only thing spinning out of control, after only his second question as the new fisheries critic, is this member's credibility.

This government is consulting with fishermen's organizations, including the Canadian Council of Fish Harvesters, representing all the major fishing unions and associations right across Canada. The adjustment that has thus far been made by the Minister of Human Resources Development and by the Department of Fisheries and the Minister of Fisheries to the TAGS program has been made after consultation, a foreign concept to the Reform Party, with the fishermen's unions representatives. Any adjustments that may occur in the future will be made after the same kind of consultation.

If the member is interested in reflecting properly the reality of Atlantic Canada and the tough challenges Atlantic Canadians face, he ought to do at least a minimum of homework.

Mr. Scott (Skeena): The minister has managed to blow the hopes of Atlantic Canadians right out of the water. Capacity reductions were supposed to fix the problems of Atlantic fishermen, but this government's failure has left Atlantic Canadians with no hope for a viable future in the fishery. All they can

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hope for is that the cheques from Ottawa do not run out. That is not hope, it is dependency. Atlantic Canadians deserve better.

Will the minister now admit that his attempts at capacity reduction have been an abject failure and that he has quashed the last hope of Atlantic fishermen for a livelihood in the future?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the member's question is will we admit that Atlantic Canadians are defeated. Will we buy the policy of the Reform Party to buy everyone a one-way ticket to Toronto? Will we give up on the region and see it cut and cast adrift? Will we assume that all Atlantic Canadians are losers? Will we assume there is no future for our people? Absolutely not. We are going to work to rebuild the region.

* * *

[Translation]

FEDERAL PUBLIC SERVICE

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, my question is directed to the President of the Treasury Board. The Public Service Alliance of Canada recently conducted several talks, unsuccessful so far, aimed at reaching an agreement with the Government of Quebec on hiring 26,000 federal public servants now residing in the Outaouais, in the event Quebec separates from Canada.

Mr. Speaker, are these promises not rather unrealistic and liable to create false hopes, considering the obvious fact that this cannot be done, administratively speaking?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the Government of Quebec is talking about a public service of the size of 110,000 people to serve a population of some 7 million, whereas after the current downsizing is completed at the federal level we will have 190,000 public servants serving a population of 28 million.

Those numbers do not add up. Federal public servants in Quebec should be very concerned about the ability for the separatists to meet those kinds of numbers. They are simply out of proportion. They are simply unbelievable. Federal public servants should beware of the false promises coming from the separatists.

* * *

(1500)

PHARMACEUTICALS

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, my question is for the Minister of Industry.

Prescription drug costs comprise 17 per cent of the cost of health care. These prices have increased 13 per cent each year over the past eight years due to Bill C-91 which the Liberals opposed in opposition.

The government can save hundreds of millions of dollars yearly by doing one thing, by repealing Bill C-91 or at the very least abolishing the automatic injunction clause of the patented medicines regulation.

Why will the government not do this? Is it because pharmaceutical drug manufacturers contribute too much money to the Liberal Party?

The Speaker: The question is out of order and this concludes question period.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of His Excellency Nawab Mahammad Talpu, Minister of Agriculture of Pakistan.

Some hon. members: Hear, hear.

[Translation]

The Speaker: I also wish to draw the attention of the House to the presence in our gallery of Marie-Noëlle Ande Koyara, Minister of the Status of Women and National Solidarity of the Central African Republic.

Some hon. members: Hear, hear.

* * *

[English]

POINTS OF ORDER

EMPLOYMENT EQUITY ACT

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I draw to the attention of the House the fact that Bill C-64, an act respecting employment equity, on which we are to vote tonight has passed through the House from report stage to the conclusion of third reading in five consecutive sitting days. This is as a result of a new procedure whereby the bill went to a committee after first reading.

However I also draw to the attention of the House that the new procedure, which was instituted for the very best reasons, has made it impossible for some MPs like myself who have serious reservations about the bill at report stage to have our reservations answered by bringing witnesses to committee, because the committee no longer sits after report stage reading.

Consequently the speed with which the bill has gone through the House presents a problem for MPs who would like to see all legislation going through the House given full and due consideration so that they know how to vote in the most informed way possible.

Points of Order

QUESTION PERIOD

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I guess the comments of the hon. member deserve some reply. I am not sure he has raised a valid point of order, but I submit in respect of the procedure on this bill and others that are dealt with in this way that hon. members are able to go to the committee to which the bill stands referred. Hon. members are also in a position to move amendments to the bill in the House at report stage.

There was an extensive debate at report stage. There was extensive debate at third reading. Indeed third reading debate was extended today by unanimous consent because some members apparently missed an opportunity to speak last evening. The government has been most solicitous in its efforts to ensure fair and reasonable debate on all aspects of the bill.

I submit the procedure followed was correct and in accordance with the rules. If the hon. member is suggesting—although I do not think I heard it in his comments—that there was in any way a problem with the procedure, I think if he looks at it and sees what happened in the committee he will agree there was not really a point of order.

(1505)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I would like to speak on the point of order raised by the hon. member for Hamilton—Wentworth. We previously brought to the attention of the House the fact that legislation submitted to committee prior to second reading has not had proper analysis at the committee level and has been denied adequate debate in the House.

Once the legislation goes to committee it does not come here for second reading, one of the most extensive reviews of legislation available to members of the House. That is gone. We are limited to a 180-minute debate just to review sending the legislation to committee, not to review the contents of the legislation.

When we agreed to this change in the rules we thought the potential was there to make committee work much more meaningful. However we have experienced in committee clause by clause study of legislation that is restricted to a few seconds per clause or a minute or so per clause. Things are rammed through. Then without second reading we came to third reading where the bill is approved in principle and no further amendments could be brought forth by members.

The Speaker: This is a new procedure that the House has adopted. If there are flaws in the procedure I suggest these can probably be looked at in committee again.

The hon. member has made his point. I appreciate the interventions of both the parliamentary secretary and the member for Kindersley—Lloydminster, but this is not a point of order.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I rise on what I think is a very grave matter regarding the behaviour of the member for Burnaby—Kingsway during question period earlier today.

His heckling was excessive, was obnoxious and was extremely—

The Speaker: From time to time I have asked all members of the House to be very considerate of other members when they are either asking questions or giving answers.

The hon. member raises a case in point. I am well aware of the point he is raising. That we do not like how one member or another acts is not necessarily a point of order. In my view it is a point of debate.

I think I know where the member was going with his point. It was that all hon. members should respect one another. We should be listening to one another either when we ask questions and when we give answers. I encourage all hon. members in the House to do just that.

I think the point was well taken. It is on the table and I am aware of what it says in the book.

Mr. Epp: I want the whole world to know, Mr. Speaker.

The Speaker: I would like to let this point of order rest now.

[Translation]

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, during Question Period the President of the Privy Council and Minister of Intergovernmental Affairs quoted a study. Does the minister intend to table this document for the benefit of all members?

The Speaker: Is the minister—? Well, could someone go and get him?

[English]

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, I rise on a point of order with respect to something that happened in question period. I referred primarily to the fact that prescription drugs represent 17 per cent of the cost of health care.

(1510)

The question put to the government was why the would government not repeal Bill C-91. I perhaps elaborated more than I should have but I was attempting to give the minister a multiple choice with respect to his answer.

The Speaker: The Chair has ruled on the admissibility of the question. In the course of the question period I turn up my hearing gismos as high as I can. I try to listen to what all hon. members are saying.

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It seemed to me that I did not know where the member was going in his question. It seemed to me from what I could hear and from what I could understand that the question was out of order.

The hon. member does not have a point of order now but if he would like to discuss the matter further with me, I would be happy to do so in my chambers if that is agreeable.

TABLING OF DOCUMENTS

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I ask for clarification on the last tabling of a document. If documents are to be tabled a minister is allowed to do that during Routine Proceedings.

A government backbencher from Ottawa—Vanier asked for a document to be tabled. When I tried to table something last week Your Honour asked for unanimous consent. What is the problem here?

The Speaker: There is no problem really. What has happened is that when a minister quotes from a document in the House the minister can be asked to table the document.

When an ordinary member like you or me, again forgive my words, quotes from a document in the House, we need unanimous consent of the House. The rules are quite clear on that.

Do you want another clarification?

Miss Grey: Mr. Speaker, if any minister is quoting from a document we may ask for it and demand that it be tabled. Does he have the option of yes or no, that he might or might not?

The Speaker: Citation 495(1) at page 151 of Beauchesne's *Parliamentary Rules and Forms*, Sixth Edition, entitled "Documents Cited" reads:

A Minister is not at liberty to read or quote from a dispatch or other state paper not before the House without being prepared to lay it on the table.

Therefore the minister quoted directly from a document. He was asked to lay it on the table. The House has accepted it. That is the rule.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

The House resumed consideration of the motion that Bill C-90, an act to amend the Excise Tax Act and the Excise Act, be read the third time and passed.

The Speaker: Before our interesting question period the hon. member for Prince George—Bulkley Valley had the floor. He has approximately 30 minutes remaining.

Some hon. members: Thirty minutes?

The Speaker: That is what I was talking about, the heckling.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, thank you for the extra time. I am sure my colleagues will be pleased to hear that.

Before question period I was talking about some of the free spending habits of the Liberals. I pointed to the U.S. department of energy receiving \$35,000 from the Liberal government. It really needed the money. The United Steelworkers of America received \$116,000 from the Liberal government; Prison Art Foundation, \$51,000 from the federal government; and Feminist Literacy Workers Network, \$57,000 from the government.

(1515)

This is where the taxpayer's money is going. This is what is contributing to overspending by \$30 billion every year. Why are the Liberals continuing to do this, continuing in the same habits as the prior Tory government? Because all of these special interest groups that are receiving these funds year after year are constantly in Ottawa lobbying the government, talking to the government, yapping away at the government for more money, being obnoxious almost to the point the hon. member for Burnaby—Kingsway was earlier in question period. All these special interest groups are standing in line for this free wheeling, free spending handout from the Liberal government.

In order to continue these free wheeling, free spending ways, what does the Liberal government do? It simply raises taxes, as it did in the February budget. It seeks approval in Bill C-90 to increase the taxation on gasoline by a cent and a half per litre to raise another billion or two billion dollars or so. This goes on and on and on. Canadians are tired of the deficit spending of this Liberal government and they want it to stop.

Study after study after study has shown that deficit spending will not create a buoyant economy. Study after study by economist after economist has said that we cannot spend our way out of a recession. The only way we can get out of a recession is to get the economy going again, and we are not going to get the economy going if we keep increasing the taxation levels on the Canadian workers and Canadian companies. This is not rocket scientist stuff. Why can they not understand this?

One of the reasons most of the economists around the world agree with the Reform Party's method of getting this economy back in shape and getting Canada out of its fiscal crisis is that when the Reform Party stands up to talk about fiscal responsibility and curing the fiscal ills we are prepared to put it on paper, in writing, very clearly and very distinctly showing exactly how we would get the economy going again, how we would reduce taxation and reduce overspending without seriously harming the Canadian people.

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The Liberal government stands up every day and calls us hackers and slashers, saying we want to cut off all these programs for the Canadian people, the programs that we never could afford in the first place but which they used year after year—and the Tories before them—to get elected.

I suggest something that is not only my own opinion but also the opinion of many economists. The biggest threat to the social programs in the country is the out of control spending by the Liberal government. The biggest threat to the social programs, to medicare, to education, and to things Canadians have come to depend on is not the fiscally responsible Reform Party on this side of the House but the out of control Liberal spenders on the other side of the House, and the Tories before them.

It is time the government got serious about getting the economy going again. It is time the government got serious about addressing the concerns the Canadian people have about the high taxation levels in this country. It is time the government got serious about what it takes to create real and long lasting jobs in this country. It is time the government got serious about its out of control deficit spending.

I cannot believe for a minute that government members ever will get serious. If they are not prepared to get serious about addressing the concerns the Canadian people have about the economy, jobs and taxation, maybe they should move over and let someone else move in who will get serious about it, the Reform Party of Canada.

(1520)

Unfortunately the Canadian people are going to have to bear the pain for another couple of years. I wish it were over sooner, but it looks like another couple of years of out of control deficit spending.

The hon. member for Beaver River reminded me that I should never talk about out of control spending by the Liberal government without talking about the pensions. I thank the hon. member for Beaver River for walking by at the right time.

The Reform Party did the responsible thing when 98 per cent opted out of the pension, giving our personal commitment to the Canadian people that we are serious about cutting spending. We intend to save the Canadian taxpayers some \$35 million by our simple act of opting out of the MP pension plan.

It is interesting to note that while 98 per cent of Reform MPs chose to opt out, chose to do the right thing, unfortunately 98 per cent of the Liberal MPs chose to stay in, chose to do the wrong

thing. What kind of a message does that send to the Canadian taxpayers who are watching their disposable income shrink more and more on a daily basis? What kind of message does that send to the Canadian middle income taxpayer who is suffering under a 63 per cent tax burden on their gross income? Does that send the message to them that this government is prepared to get serious about the financial crisis we are in?

I hope that before this Parliament ends we will see the Liberal government make some distinctive, specific plan to reduce the spending habits it has, which it acquired from the Tories and which it taught to the Tories.

We have heard the Minister of Finance talk about targets, but he will never let a target stand still. He uses the phrase rolling targets. Rolling targets are a good way to set them, because if you miss them you can always blame the fact that they were not standing still.

The IMF, the C.D. Howe Institute and almost every economic think tank in Canada and many in the U.S. have sent a clear message to the Canadian government: "Get your spending in control and get your level of taxation down or you guys are going to be in a whole bunch of trouble". I hope it got the message.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am pleased to enter the debate on Bill C-90.

Some members have suggested that Bill C-90 is part of the other side of our budgetary commitments. Our budget in 1995 stated it would reduce spending by \$7 for every \$1 of revenue increase. Unfortunately this bill deals with the revenue increase side of that. Needless to say, most people do not like the idea of tax increases. I do not think anybody does.

One aspect of the bill reports a 1.5 cent per litre tax on the cost of gasoline. I think we are mature enough to admit that it will hurt people, small and medium size businesses that use gasoline in their business, commissioned salesmen and so on. We also realize that Canada has one of the lowest retail prices for fuel in the world. We are still very much the recipients of a very cheap fuel program in Canada.

I would like to address other aspects and areas that some of my Reform colleagues talked about today when they asked when we are going to get our spending under control. I do not know where the Reform Party has been for the last two years, but I have seen some tremendous changes in cost reductions of the federal government in the area of the civil service in particular, with 45,000 civil servants being cut from expenditure programs. I have watched the Department of Natural Resources be cut in half. There have been the bills to privatize CN Railway. There

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have been bills that deal with the government's commitment to its shareholding of Petro-Canada. It goes on and on. There has been all kinds of evidence of cutting.

(1525)

The trick about cutting, of course, is that it has to be done equitably and fairly. The whole object of program review has been to go to each department of government to try to find those areas where it is possible to cut while at the same time maintaining the very important aspect of our social fabric, the underpinning of our social network in Canada.

I am very proud to be a part of a government that took that kind of approach to deficit and debt reduction. I look at some of my colleagues, especially those in the province of Ontario, and often wonder whether they have gone through that kind of thought process and whether we have properly dealt with some of the people who can least protect themselves in society.

It is interesting to note that the Auditor General of Canada two weeks ago tabled his report, in which he questioned whether Canada's level of debt was sustainable. What does that mean? Quite frankly, if one is running a corporation, there is a level at which the debt structure compared with the income structure is so onerous that they can no longer continue and become insolvent. Indeed, some people have suggested that if we apply that test to the country we may well discover that Canada may be an insolvent nation, unable to pay off our debt. Our debt is increasing due to interest rates. As long as interest rates exceed the level of growth in the economy, we will continue to have an accumulation of debt and we will have to cut even deeper into the expenditure side of government.

Some people think we are in an endless situation. However, the government, particularly the Minister of Finance, has taken a specific course of action to reduce the debt to three per cent of the gross domestic product. That is not an end in itself. I have heard the minister say over and over again that with the concept of two-year rolling targets in fact we will continue to focus on reducing the debt on a year by year basis and go beyond the three per cent of GDP target.

There are a number of tax bills before the House. There was some interesting debate on Bill S-9, which is the Canada-U.S. tax treaty. I do not want to speak on that bill, as we are debating Bill C-90, but some of the aspects that came out of that debate were interesting. The hon. member for Kamloops was surprised that the Reform Party had accepted some of the negative aspects of the Canada-U.S. tax treaty, those things that specifically appear to assist people in the higher income groups. I wondered why the hon. member felt that way, because he also seems to be interested in the concept of tax reform and some of the Reform Party's discussions about a flat tax. I notice that the hon. member is taking part in a conference to be held later this month that deals with that area.

I would like to talk generally about the concept of a flat tax. In my mind, it also represents a form of tax change and a shift of the tax burden within the Canadian taxation system.

A lot of things the Reform Party has come out with sound simple. Why do we not have a simple system? The income tax system to many people in Canada is complex. There is no question about that. I do know, however, that less than half of the population actually requires professional help in filing their tax returns. The average person can still file a tax return without the need of an accountant or a tax lawyer. The people who require tax assistance are usually those who are in the higher income brackets. They usually are trying to take advantage of certain tax credits and tax advantages which exist in the system.

(1530)

The whole concept of taxation is also an element in fiscal policy. The government attempts to get aspects of the economy energized by using certain tax legislation which gives advantages to certain sectors as opposed to others. I would think members of the Reform Party would be quite aware of the oil and gas sector out west. It has been greatly assisted by a number of concepts, flow through shares and other kinds of tax driven investments which have encouraged exploration.

If we look at the history of a flat tax aspect, it is interesting to note that its actual birth occurred in England. At the time it was originally brought in, it was thought of as more of an income redistribution process. It actually entertained the concept of moneys flowing from the government back into the taxpayers' hands. It was used as a method of negative income tax. It was used as a method of doing away with the multitude of social programs that existed. It used the tax system to allocate these resources to people. People in the lower income bracket would actually be net receivers from the government, looking at a guaranteed annual income or whatever that means is. Of course people over a certain means would be the net payers.

Surprisingly enough that has changed appreciably. In presentations I have heard it is especially becoming very popular in the United States. It does not talk about redistribution at all. As a matter of fact it talks about flattening the existing tax rates.

In Canada we have three basic classifications of tax rates. A flat tax essentially would eliminate that and would create one rate of tax. At the same time, as I understand the proposal, it would also eliminate certain members from the lower income stream. In a sense it is like a two rate system. Some people would not pay tax and everybody else would pay a flat tax. It does not take a lot of arithmetic if we actually sit down and start figuring it out to know who is going to pay this tax.

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Some people like to say that if we took away all the benefits, all the bells and whistles from the existing system there would be so much efficiency that we would not have to change the quantum of tax. The quantum of tax would be reduced and when the smoke cleared nobody would be paying any more taxes than they were before. Some people would be paying a little less and everyone would understand the system better. Therefore it would be an efficient system.

These are all great ways to sell something but the reality is it is not true. Right now, 63 per cent of all income taxes paid in this country are being paid by the top 30 per cent of income earners. That tells us right away that the system is progressive. That is to say, as one makes more money one pays more tax.

People in the House will say they can point to somebody who is a millionaire and did not pay any tax last year. There are situations like that but the reality is they are very rare. I will repeat, because it bears witness and deserves to be repeated, the reality is that on an ongoing basis 63 per cent of all income taxes in this country are paid by the top 30 per cent of the income earners.

What happens if we do tax flattening? There is only one assumption which is that we are going to allocate tax liability away from that top 30 per cent, not to the bottom 20 per cent who do not pay any taxes at all, but we are going to shift it to the middle class. I do not have to tell anyone that the middle class is fed up with the taxes it is already paying. It thinks it is paying too much. It is those people, the two income earner families, who are going to be paying the expense of a flat tax situation.

The hon. member for Kamloops was amazed that the Reform Party would be supportive of the Canada-U.S. tax convention and some of the good things it was doing for the very wealthy in that treaty. At the same time I suggest it is the same element and the same people this party is representing who also want the flat tax.

(1535)

The benefactors of this tax will be the very wealthy. It is not just me saying that. The U.S. Business News states that those people who earn in excess of \$200,000 in the United States will be substantially better off with a 19 per cent flat tax. David Bond, an economist with the Hongkong Bank of Canada, says there will be significant income allocations of taxes with a flat tax. Most economists all over the world who have studied this will say that the flat tax is not viable mainly because it creates increased taxes for the people who can least afford them.

What is wrong with the tax system? Quite often people come along giving us solutions for the wrong problems. Yes, the existing taxation system in Canada is very complex. Does it

need to be as complex as it is? No, it does not. We can get simplification in the system. Some of the simplifications are to stop fiddling and changing it every week. Every week we change some aspect of the income tax system. This constant change creates a situation where nobody understands it. If we just had a moratorium on tax changes perhaps we would understand it.

What is the main frustration people have with the taxation system? It is not so much the filling out of the forms as it is the rate of tax. People in this country are constantly referring to the fact that we have an underground economy. People will take their money to the Turks and Caicos Islands or wherever their favourite tax haven is to avoid taxes. That has nothing to do with the taxation system but it has to do with the rate and quantity of taxes we pay.

There have been countless international studies of every regime which has increased its taxes. There constantly was a correlation between an underground economy and tax evasion. The GST is another symptom of people avoiding taxes. The problem is the rate of tax. Canada's rate of taxation is the second highest in the OECD, just slightly less than that of France. When tax rates are as high as they are today we are also going to have tax evasion and tax avoidance.

Changing the system is not going to change the fact that we are bringing in about \$123 billion in taxation. Our deficit and debt relationship do not allow us to change those numbers today. What we want to do of course is get on to a program of deficit and debt reduction so that somewhere after the year 2000 we can actually see a rationing down of tax rates. With that rationing down of tax rates it will create a greater confidence in our taxation system and hopefully domicile some of our lost tax revenues.

I have often been a great supporter of asking the Turks and Caicos Islands to become one of our provinces. This was the subject of a debate in this House some years ago. I have been to the Turks and Caicos and have talked to some of those people. I think it would be a great thing. We could redomicile all of those tax revenues that are now hiding down there.

The whole area of fiscal and monetary policy is very complex but the taxation system is still very much an important aspect of our fiscal tools to stimulate various aspects of the economy. The flat tax of course would eliminate that kind of manipulative approach to the economy and force the government to treat everybody much the same.

Is the forestry sector the same as the car manufacturer? Is the Saskatchewan wheat farmer the same as the Ontario beef farmer? I suspect they are not. I suspect the industries in this country, for example the oil and gas industry or the mining sector which rely heavily on capital intensive aspects of their

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businesses look at rapid depreciation within their businesses which are all different and all unique.

(1540)

We can say we do not want the mining sector and indeed that is what is happening in this country. The mining sector is going south. The mining sector says there are too many inhibitions to set up here in Canada and that it is cheaper to set up in Chile. That is because of the tax regime. We have to remember how they got going. There were also tremendous tax incentives to get those businesses started. There is not any country in the world that does not use the concept of some kind of form of favouritism of various sectors it wants to promote.

Today we want to promote our science and technology sector. Our government is now giving something like \$1 billion away in scientific tax credits. These scientific tax credits are to provide an underpinning that Canada will get into the science and technology revolution which we see creating jobs in the small and medium size business sector in Canada I feel that those science and technology tax credits are misguided. They are not going to the small and medium size companies that really need them. A lot of that expenditure is being focused at the multinational level and larger corporations. It is not actually doing what we want it to do.

That is the kind of debate we need in the House. That is the kind of change to our tax system we need in order to fine tune it, so that it is working in the best interests of all Canadians and creating jobs. Simple solutions for complex problems are not going to do that.

This bill, of course which I support, is a money bill of the government and it is one necessary aspect of the 1995 budget. I am happy to be part of a government that continues on its commitment to meet its objectives which were laid out in that budget.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I will address some of the comments made by the member for Durham, specifically his attack on a flat tax. Based on the way he was making his comments I do not believe he understands what the flat tax is. The flat tax is a simple equitable system for all taxpayers. It will greatly increase the incentives to work, invest and save.

He talks about the problem in this country. The problem is the debt and the high taxation levels. It is not the deficit. We can change the deficit: just raise taxes, lower spending and it is gone any time we want to. This government is saying that the deficit is the problem and it is going to reduce the deficit to 3 per cent of GDP. The government is adding to the problem. It is digging the hole deeper by adding to the debt.

We need to look at our spending. We need to look at a way of stimulating the economy, developing a taxation system that is

pro growth, something that will get the government off our backs, out of our pockets and leave us alone with more disposable income.

In the name of deficit reduction, I am getting sick and tired of government after government not addressing change in the taxation system. We need fundamental tax reform. Every other country is looking at their high rates of taxation. Every other country is doing something about it and this gentleman from Durham on the government side says it is a simplistic solution.

In the months and the year ahead, he will see that it is not a simplistic solution; it is a very complicated solution. The simple flat tax is harder than it looks. The simple flat tax is not as easy to implement as he claims the Reform Party suggests. There are a lot of items in this area that need discussion and debate. We cannot argue with the fact that if there is a broad tax base and the tax base is redistributed we could have a lower rate. A flat tax would get rid of all the tax loopholes, incentives and shelters the hon. member was talking about.

It is not income from the forestry business or the oil and gas business or wealthy people, middle income people, lower income people. A dollar is a dollar. We want to tax that dollar as little as possible. We want to broaden the base as wide as possible, so we can have the lowest maximum rate. That is what equity is. That is what fairness is.

A flat tax, whatever form it is, whether it is a pure flat tax, a proportional flat tax, a Mills flat tax, a Hall-Rabushka flat tax, whatever kind of flat tax it is, the key is that we want to protect the lower income people, people who are making minimum wage or close to minimum wage. We do not want them paying taxes. That will reduce the pressure and the strain on the social programs. Middle income earners will not be affected. They will remain relatively the same. However they are going to be happy knowing that when the tax loopholes and incentives and shelters are taken away from the wealthier people they will pay more in tax dollars even though their rate is low. That is what makes it interesting to look at a flat tax and why we should be doing so. It may sound like a simple solution but it is not.

(1545)

A flat tax is not as simple as it looks. It is very complicated. In fact, it is harder to bring in something simple than it is to bring in something complicated.

The Minister of Justice brought in the gun control bill. It was a very complicated bill. It was a very elaborate bill, but he got it through, no problem. Is that not right?

The flat tax is going to be a very difficult tax reform to get people to look into and to look at. I would like, in my section of comments, to point out that it is not simple. I am not saying on behalf of the Reform Party that a flat tax is simple. It is just simplifying the system. That is where the merit lies. Simplifi-

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cation of the taxation system will save us billions of dollars in compliance costs.

Does the member want to know what else it does, Mr. Speaker? It would also get the government out of the business of trying to micromanage the economy. It would reward initiative by leaving 75 to 80 per cent of every dollar earned in the pockets of the earner which is a better place than in the pockets of the government.

The Speaker: I would imagine the hon. member for Durham would like a counter commentary.

Mr. Shepherd: Mr. Speaker, I noticed the member reading from a piece of paper. I guess it is the hymn book of the Reform Party. I suggest that Reform members start going back and actually looking at the whole structure of taxation in Canada.

I could not believe my ears when he said it is a difficult tax, it is not simple. Then he turned around and made the statement that is so simple it is hard to get in here. I cannot quite understand his philosophy.

I am going to repeat one more key statistic. It comes from their favourite Fraser Institute. Sixty-three per cent of all income taxes in Canada are paid by the top 30 per cent of taxpayers.

It does not matter what the Reform Party members want to argue, they are not going to change that statistic. Realistically, when one starts saying that they are going to let the lower bottom people off, fine, I understand that.

There are some problems with that because you create a wall of taxation. It keeps poor people in debt. It keeps people down because they have no the way to make progress. As soon as they earn an extra dollar, they are hitting the 23 per cent tax rates. That is the philosophy of the Reform Party. Keep the poor people poor and while we are at it, let us shift the tax burden from the very wealthy, which that party represents, to middle income earners.

That is not going to fly. It is not going to fly out west and it is not going to fly down here either.

The Acting Speaker (Mr. Kilger): I know the member for Durham was telling you through me.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, I am pleased to join in the debate on Bill C-90 which specifically enables the government to increase the already high levels of taxation imposed on Canadians.

It never ceases to amaze me the disregard the government seems to have for the intelligence of Canadians. This bill is an outright betrayal of the commitment in the red book or the election platform of the Liberal Party. In addition to the betrayal, the Liberals promised not to increase taxes to Canadians. There is the dishonesty, the deceit and the rhetoric surrounding the cuts that have to come and inevitably will come whoever is the government some day if we are to reach a balanced budget.

We just heard the best example of this rhetoric that we hear all the time. The member for Durham rises to join the debate on Bill C-90, a bill to increase tax levels. In his speech he says there is nothing wrong with the tax system. All that is wrong is the rates are too high, the second highest in the OECD. Yet he is speaking in support of a bill that raises the level of taxes higher. That is rhetoric and double talk and we hear so much of it.

(1550)

I would like to discuss a couple of other examples of the betrayal of red book promises. The Liberals said during the election campaign they could solve the problems of the country simply by economic stimulation and job creation. They did not need to cut programs. They did not need to raise taxes. They could solve the problems of the nation by job creation and economic stimulation.

It is now two years into the mandate. We have seen lots of cuts in programs and services but we have not seen problems solved through economic stimulation and job creation. We consistently remind the government day after day of the GST fraud which it has imposed on people. The Deputy Prime Minister told us she would resign within a year if the GST was not gone. She is still here. I saw her in the House today.

The government tells Canadians these things during an election campaign because it knows those topics are popular and that it will get votes. The Liberals tell Canadians what they want to hear. After they get elected they abandon their promises and hope Canadians will forget them before the next election.

Another bit of dishonesty is the story the government told the federal civil service that it would not be cut, that it would protect their jobs and honour the job security clauses in their contract. We are only two years into the government's mandate and it is talking about cutting 50,000 civil servants. What happened to the commitment to the civil service? It seems to have been abandoned.

There was the promise to maintain funding for social programs. The government said that it would never slash and burn like the Reform Party proposals would do. It would protect the precious social programs, the fabric of the social safety net system. Only two years into its mandate, the government has cut and cut far worse than what would have happened under what it called our slash and burn policies. The government's measures have been even more draconian than the Reform Party ever suggested they should be. If the \$7 billion cut to provincial transfers in support of social spending is not slash and burn I do not know what we could refer to it as.

I do not think Canadians are so naive or so easily deceived that they are prepared to forgive all this before the next election. The Reform Party is here to do everything it can to see the government is not forgiven. I am sure that come next election time it will have some real answering to do to the Canadian taxpayers.

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I hear all the time from the other side of the House about how caring the members are, that they are not hard hearted and without compassion like the Reform Party, that they care about the human deficit. I have never heard such arrogant hypocrisy in all my life. They do not have the market cornered on compassion or caring. The very reason I became involved in the profession with the lowest regard in this country—at least outside of this place—was simply because I care and I am compassionate. I care very deeply about the things the Liberal and Conservative governments have done to the future of my children and my grandchildren in the last 30 years. That is not caring and compassion. It is selfishness. It is the me generation saying that not only will the next generation, my kids and my grandkids, have to look after themselves but the next three or four generations will be paying for the greed of this generation. That is not caring and compassion. It is the me generation.

(1555)

Today we are debating Bill C-90 which is about tax increases. The area I wanted to talk about specifically is the 1.5 cent a litre increase in tax on gasoline. For the last 30 years every time there is a cash crunch, a squeeze, governments have turned to the cash cow, the sin taxes on alcohol, cigarettes and gasoline. It turned in a big way to gasoline in the last budget to make up the shortfall.

The finance minister made a commitment to have a ratio of tax increases to expenditure cuts that was not in the red book. As I mentioned earlier, the red book said no increase in taxation. Now we have moved to a commitment to keep it in balance, so many dollars of cuts to so many dollars of tax increase. That is a serious betrayal of an election promise.

We still have the GST that applies on top of the 1.5 cent per litre tax increase. That is the GST that was supposed to be gone. Therefore, we have a double tax increase on gasoline.

It is important for members of the House to remember where the excise tax on gasoline started. It was back in 1975 when a Liberal government placed the excise tax on gasoline. It was a special tax. It was the first time an excise tax was applied to gasoline and was to be a one-time tax. How many times have we heard that before?

This one-time tax was to cover the gap between oil import compensation payments and the oil export charge revenues. In turn, this compensation system was as a result of the 1974 decision to maintain domestic oil prices at levels below world prices.

In essence, the federal government of the day had adopted a made in Canada oil pricing policy which saw the proceeds from an export tax used to protect consumers of imported oil from the full impact of the international price. A noble intent I am sure.

As we so often experience with taxation, we are shown that taxes which are meant to be one time or special or temporary, quickly have a habit of becoming permanent.

One must only refer to the imposition in 1917 of a temporary income tax and see where that has gone, how temporary it was and how complex and expensive it has become.

The same is true in every sense about the excise tax on transportation fuels. The excise tax has remained in place and its revenue objectives certainly have changed. The tax is no longer used for what it was originally intended but the tax remains and continues to be increased by 2 cents, 1 cent, 1.5 cents every budget that is presented in the last number of years. Obviously it has changed from a special tax for a specific purpose to a general tax for a source of general revenue.

In the last session of Parliament, in the natural resources committee of which I am a member, the members of the NDP introduced a proposal for the committee to study gasoline pricing in Canada. They thought there was some bogeyman causing the price of gasoline to be so high when we were facing a surplus of oil on the international market and low prices for crude oil.

It does not take a genius to look at this. There have been numerous studies over the last number of years that the bogeyman in this scenario is the government. If we look at the price of gasoline in Vancouver at 59.6 cents per litre, 28.9 cents goes directly to provincial and federal taxes. That is not oil royalties or corporate income tax, that is simply gasoline taxes hidden at the pump. The 28.9 cents leaves the remaining cost of that litre of gasoline to cover the cost of exploration, production, marketing and refining and only another 3 cents to the dealer for his costs and overhead.

(1600)

We can give example after example of a gasoline price. The figures provided by the government's statistics for Calgary shows the price of gasoline is 52.3 per litre; 22.4 cents of that goes directly to governments in taxes, leaving only 3.5 cents for the dealer to cover his costs, with the remaining going for exploration, refining and marketing. I have example after example of almost 50 per cent of the cost of a litre of gasoline everywhere across the country being the tax on gasoline by government.

We continue to have these kinds of tax increases rammed down our throats with no choice. Because they are hidden they are often put in and the consumer does not realize the taxes have risen. The cost increases which we have seen so dramatically in the last number of years are not the result of the oil companies' getting together to fix the price of gasoline. It is the result of governments starved for cash continually coming back to that cash cow.

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Members can ask their constituents if they realize what percentage of the cost of a litre of gasoline is government taxation. I will wager very few consumers realize the level of taxation. If we are to continue to tax Canadians in this way it is time we were up front and open and let Canadians see where their dollars are going.

When we look at these increases in taxation levels and what they are doing to us internationally there is an important implication of these tax increases as well. Gasoline is one of the things that gives our natural advantage which allows us to be competitive in the global marketplace to compensate for the huge distances and the expensive transportation costs we face in getting our products to market.

It is very important that we are able to take advantage of that natural advantage to compensate for other disadvantages. Our natural advantage is being seriously eroded when the Americans can come to Canada with a \$1.30 dollar, buy our crude oil, take it home, refine it and sell it at almost half the price we have to pay. I do not think that is what Canadians want. I do not think that is what the government wants, to simply become and exporter of raw natural resources.

This is not the way to create jobs, to create wealth, to stimulate the economy. It is time we support Canadians industries and manufacturers and allow them to take advantage of the natural advantage we have in our abundance of natural resources.

Instead, the government seems to stick to its historical way of raising revenue, that cash cow. I suggest this poor cash cow is milking at capacity and is in danger of dying from mastitis from forced overproduction.

(1605)

I can go on about the unfairness of this endless taxation. The government should seriously look at what it is doing to the economy through high taxation and what the debt and deficit are doing to the country.

I ask the Prime Minister and the finance minister to heed the words of F.J. Clarke that a politician thinks only of the next election; a statesman thinks of the next generation.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I want to make a few comments on Bill C-90 as it emanates from the Department of Finance and the finance minister. I will review for a few minutes what he said when he was in opposition during the last budget he criticized.

I have direct quotes from *Hansard* dated April 27, 1993: "Canadians are demanding an end to the volleys of taxation that issue from the nation's capital every spring. They are demanding that governments cease their political fiddling while our prosperity burns".

Bill C-90 is nothing more than a tax grab. It raises taxes through excise taxes. It raises taxes on gasoline. It raises taxes on air transportation from \$50 to \$55. It raises taxes on cigarettes. Pure and simple, it is hitting Canadians in their pockets, at the pumps and in the air.

This flies in the face of what he said. As critic to the finance department he said Canadians are demanding an end to the volleys of taxation that issue every spring. He has been in charge for the last two springs and we have sprung taxes higher, albeit he never touched our personal pocketbooks which is why we can thank him a little, but he is taxing everywhere else. Revenue Canada is even squeezing businesses and individuals on audits in every way, shape and form it can.

I have a second quote: "Canadians are demanding nothing less than an end to the political economy of governments that can neither follow the wishes of their citizens today nor bring before them the questions that must be decided tomorrow". Does the minister think Canadians want gasoline taxes to increase at the pumps? Does he think Canadians want to pay more taxes on products and goods and services? Does he think Canadians want to pay more taxes at the airport? They do not want to do that.

Does the minister think the people of Canada want the government to add to the problem of the debt? He has committed the country to bankruptcy by committing it to a 3 per cent of GDP. That is all he will reduce the deficit to? He will keep digging the hole deeper, slower than the Conservatives, but he will keep digging the hole. Is that the kind of Canada he thought Canadians were demanding, to keep adding to the problem?

Here is his chance as the finance minister to correct and follow his points of view to the letter. He has an opportunity to be in control and do the things that are required to stimulate and help the economy. He says it is through jobs. Governments do not create jobs. The private sector creates the majority of jobs, 85 per cent. Nobody disputes that. It takes consumer and investor confidence to create those jobs.

When the government keeps increasing taxes through excise taxes, personal taxes, corporation taxes, payroll taxes or property taxes, it is hurting and impeding confidence. By just talking about it, like the finance minister does, he is using smoke and mirrors to fool the Canadian public. He is doing a great disservice by making Canadians believe he is solving the problem when in fact he is adding to the problem.

I have already shown two examples of where the finance minister can do something about the very things he criticized, but he has done nothing. He keeps doing it the same way. He is defending the status quo. It is as if the Department of Finance regardless of who becomes finance minister will do it its way or no way and it is the only way. That should change.

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(1610)

I have a third quote from the finance minister: "Irregular taxation among jurisdictions has produced economic distortions, inefficient and wasteful collection costs and a perverse sense that the tax system is irrational and unfair. Canadians are prepared to pay their fair share of taxes. What they object to is when they see discrimination against them in favour of others. What they object to is when they see that the services that they have come to expect cut back and their taxes going up. There is a deep feeling that the system is warped against Canadians".

If that opinion was really believed then by the finance minister, I would like to refresh his memory. If he still believes it today what that really means is that we need to review the entire taxation system, the way we collect taxes, why we collect taxes, what those taxes are for, what the program costs are in the government.

We need to diffuse and separate tax expenditures from direct spending. Very few MPs know the total we spend on child care through the four or five various programs that exist. We do not know because we use the Income Tax Act to do it.

If we would simply use income tax as a method of raising taxes other than a personal exemption and nothing else, then decided we wanted to subsidize or support various groups, people who cannot work, who cannot help themselves, whether we want to help education or health care, all the programs we want to fund, that would be fine. We should put that under direct spending.

Then we can set the rate to raise the money we need to pay for those programs. Simplification will lower compliance costs. Simplification will satisfy the concerns he had in opposition about the tax system, the very one he is defending now, to which in his two years of tenure as finance minister he has added over 1,000 pages of clarifications, rulings and justifications so that people can understand it better.

He said it was irrational and unfair. In two years he has done nothing about it except tinker around by raising an excise tax here, trying to do that over there. He has not addressed the problem the way he could and should.

I would like to see him match his rhetoric, his belief, his ideas and deep felt conviction that the current system is unfair and allow the Standing Committee on Finance to explore fundamental tax reform for Canadians.

The time has come for that. If he really believed in what he said I challenge him to allow that kind of debate, to allow that kind of exploration to begin so that it is outside the realm of bureaucracy, so that it is outside the realm of deputy ministers who want to have it their way and only their way.

Put it back into the purview of members of Parliament who can come to the finance committee and represent their constituents' wishes and their constituents' point of view.

I am sure if he lets that happen he will find there are a lot of Canadians who would like to see tax reform. They would like to see some form of system they can understand, a system in which everybody can do their own return, in which fairness is reintroduced whereby everybody pays their proportionate share of taxes after a certain level of exemption. If I make 10 times more money than another, I pay 10 times more taxes.

Eliminate all those tax shelters and incentives that distort the economy and allow the government to manipulate and direct our social and economic lives. We have to separate the income tax system away from social and economic engineering.

I look at the comments the finance minister made in opposition because I am on the finance committee and a critic of finance. Therefore I have to go back to find out what this gentleman believed in, what he fought for, his values, where his goals and objectives lie. Now that he is finance minister he is not following his own beliefs. I do not understand that.

(1615)

Year after year MPs say one thing to get elected and when they get elected they do another thing. I am very disappointed the Liberals have already broken about 15 promises in their read book. They said one thing to get elected and did exactly the opposite.

We commend and compliment them for some of the promises they have broken, because we know they are heading in the right direction. We know spending has to be cut and social programs have to be looked at because they represents 67 per cent of the budget. We understand that. We were hoping the government would listen to us and make those kinds of tough decisions.

However, there is room for more spending cuts. The spending cuts that could really help are those direct subsidies for business and individuals, the billions we do not need to spend.

The compliance cost of the taxation system is \$12 billion in a country of 27 million people. This includes accountants hired, the audits that must be done and the cost of departments such as National Revenue and taxation: customs is at \$2.2 billion; the GST group, \$500 million; all the tax lawyers and services. Twelve billion dollars changing hands just to collect this money, to interpret our tax rules.

Members of the House should spend three months on tax simplification, trying to improve the system to make it more simple, more equitable and fulfil the concerns the finance minister had when he was in opposition that the tax system is irrational and unfair.

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If we want to bring reason and fairness back into the system, why does he not empower the Standing Committee on Finance to do something about it? Why does he not empower all the members of the House to do something about it? It could be fixed so fast to the benefit of all Canadians. It would make so much more sense than some of the weak-kneed insignificant bills we are debating and issues we are discussing in the House right now.

I know why that is being done and why the government feels it has to do that, so I will not dwell on it. Instead of debating employment equity and legislating in the board rooms of businesses, in the offices of the private sector who must be hired and policing them to ensure it happens, a waste of time, why not introduce a system in which more people would gain confidence? More people would have a hope for the future of the country and feel the leaders, the politicians, are looking after their interests for the long term, not the short term.

We have a deficit and a debt problem but the solution is not just spending cuts and cuts and cuts. If all we ever look at is the solution we will never solve the problem.

In the name of deficit reduction too many governments are afraid to look at other means of helping businesses and creating jobs. The government cannot keep spending and stimulating the economy through direct subsidies. That has to stop. We must look at a system and a method whereby the government will get out of the business of looking after a lot of people, companies and the creation of job stimulations and helping the development of hockey rinks. Leave more money in the hands of business. I know that is a sensitive spot, Mr. Speaker. I did not mean that as a personal remark. I believe in hockey players. I enjoy watching the game.

Let us look at a way of empowering the people who know how to create jobs. Let those people and those institutions do what they do best. I think the private sector can create jobs better than the government.

It has taken about 15 years for everybody to learn this. I believe everybody in the House is beginning to recognize there is some merit in that. I am asking the finance minister to look at what he said when he was in opposition two years ago and the last budget he criticized. I am criticizing his budget and Bill C-90. I know almost everything has already been implemented. I am criticizing his role as finance minister the same way he criticized Mr. Wilson and Mr. Mazankowski.

The finance minister has an opportunity to do something about it but he is not doing anything about it. He is letting the status quo live. He is letting the Income Tax Act survive. The Income Tax Act should be explored and reviewed. We need fundamental tax reforms with the idea of lowering those marginal rates. I do not care how we make it fair, I do not care whether it is a flat tax or not. We need tax reform in a way that we can then give instant tax relief to Canadian individuals and Canadian businesses.

(1620)

This is where we get stimulative effect on the economy. This is where we create optimism. This is where people get security. When they go to work in the morning they now know they will have a job at the end of next month. Right now that is what is lacking.

I do not care how much money the government throws at job creation, it will not work. It drives up the spending. It will actually put more pressure on increasing taxes. It works in the exact opposite way the government and the finance minister believe.

Bill C-90 is a tax grab. It is the very thing the finance minister in opposition spoke against. He wants fairness. Fairness is lowering taxes. Fairness is lowering spending. Fairness is smaller government and less intrusion. Fairness is making it more equitable for all walks and classes of life and giving hope to people, not false hope saying "come hell or high water", as he said, "we will reach our goals and objectives of 3 per cent of GDP". That is like highjumping six inches. That is not a very difficult target to reach from the high levels of spending the government has.

Another disadvantage of high taxation and spending is we are not competitive globally. We are already worse off than the States. Look at the hockey players there compared with what the hockey players get here. They all want to get paid in U.S. dollars. Why? Their tax rates are lower than ours and they even want to lower them to 17 per cent. The Americans are competitive and their free market system has worked better than ours. We have too much government involvement in our economy and we need less government intrusion, less direct government involvement and that way we would eliminate this high tax burden. The uncompetitive tax systems lead to choices by consumers which adversely affect government revenues.

I challenge the finance minister to fulfil those three promises, the concerns he had when he was opposition critic to the Department of Finance. There are three items he said he would fight for and that he believed. He felt they should be looked at. I wish the finance minister would practice what he preached.

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, I have listened with a great deal of interest and sympathy to the comments by the member from Calgary Centre. I believe the tax system is so broken that it cannot probably be fixed and that a new and innovative approach to the whole area of taxation has to be undertaken.

The member mentioned two very interesting points. One, a partial conversion I hope on behalf of the member of the Reform Party, was with respect to cuts. Throughout the election campaign and shortly after this Parliament was convened all we heard from the other side was to cut, cut, cut. What the member has said today, however, and it probably comes from having been in this place, understanding the complexity of some issues

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that we do not quite get to understand on the campaign trail, is that cutting is not the answer.

Governments must do everything to ensure that each dollar spent is spent in a manner that is prudent, focused and that maximizes our wish to attain certain goals as a government and as a Parliament and as a people.

On the revenue side I agree with him. I am one of those individuals on this side of the House who believes the taxation system, albeit attempting to be fair, is inherently unfair to many. Each time we try to fix this monster created by dozens of amendments in this place by this and previous governments, it makes it even harder to attain our goal.

He mentioned single taxes and flat taxes. I agree that is a direction we have to go in. My colleague from Broadview—Greenwood in the last Parliament and this Parliament continues, and sometimes I know he must feel he is alone, to promote a different system of taxation. It is a system I supported in opposition. It is a system I supported during my campaign and it is a system I will continue to support on this side of the House.

(1625)

The member wishes the Standing Committee on Finance would be specifically asked to review this. I do not usually wait for somebody to tell me what I can do. If there is an opportunity for me to work with other members to build a consensus across party lines, across this aisle which is only a few feet but many times feels like miles, I will rise to the challenge.

I ask the member not to wait for the mandarins at finance or for the government or for officials of his own party to say the time has come for parliamentarians to work together in a non-partisan fashion to come up with solutions. We all know what the problems are. We all try in our respective roles in opposition or government to put the best solutions forward we think can be implemented.

I throw a challenge out to him to work with me and other members on this side. I will work with him and other members on that side to look at what can be done, real tax reform, single tax, flat tax, to work together to put a challenge not just to the government but to all parliamentarians. I am prepared to put the time in. I ask the member if he would be prepared to put the time in. Canadians are looking for those types of solutions from Parliament and I think they are looking for them now.

Mr. Silye: Mr. Speaker, I thank the member opposite for his remarks. I accept his offer. I openly say in the House I will work with any member toward a simplification of the tax system, to share any of the points of view I have and to also get input from

any other member as to what direction they think we should go in. The current system is not good and needs some fixing.

I know the biggest concern of Department of Finance is that in the name of simplicity we will give up fairness. The test is any new system has to be as fair as the current system.

I had discussed a single tax, a flat tax, quite a bit with the member for Broadview—Greenwood. It was reading his book four years ago that got me interested in this subject. I believe many of the problems he pointed out were true. They were true then and they are more true now.

I am not waiting for the Standing Committee on Finance. I use my opportunity to speak in the House freely to challenge the finance minister to get every committee we can on board. Even the Department of Industry should be looking at this. It controls business. The minister knows what businesses are concerned about. What can we do to attract more businesses? It is not higher taxation levels but lower taxation levels.

We are presenting various alternatives to tax proposals. The member for Capilano—Howe Sound is presenting one on October 31 at the Fraser Institute symposium in Toronto. The member for Broadview—Greenwood will be there presenting his as well. I believe there will be officials from the government there although they will be listening and not presenting anything. I believe the Conservative Party is also looking at a proposal for a flat tax. It is important that we get this movement and momentum going. In the end, in the final analysis, if we can simplify the taxation system all Canadians will benefit, which is the important target here.

In terms of my conversion, I ask the hon. member not to hold out too much hope because I am not being converted. I am just getting tired of hearing everything about cuts, cuts, cuts. If the member does not believe cuts are important why has his government made \$7 billion in cuts already?

When we campaigned on cuts our point was that when we make them we should make them wisely, judiciously and quickly because they will hurt. Whether we cut \$1 billion, \$7 billion or \$10 billion, we will end up with a lot of special interest groups riled up and upset and we will hear all the barrage just like what is happening in Ontario now in response to the 22 per cent cutback in welfare payments. All it sufficed to do was reduce the welfare payments in Ontario to the same level as everywhere else in the country. Look at some of the extremists voicing their concerns.

Cutting is important. We feel the Liberal government has not cut enough. There is still too much fat in areas where there is subsidizing failure. Those are the areas the government is not looking at. The other program cuts it has done are excellent.

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The government is cutting and then spending money on infrastructure programs, building hockey rinks on direct subsidies to regional development grants to businesses. Not all but many are wasted. That money does not need to be spent by government. Cut that out. Give the equivalent tax cut to the businesses and individuals and I will guarantee that they will do more with those billions of dollars than the government will. That is the point which I am trying to make. Therefore, we need both spending cuts and a review of the taxation system. We can have tax relief at the same time. That is my argument.

(1630)

If we really want to solve the deficit, we can. Just lower spending, raise the tax rate and the deficit is gone. However, we cannot do that. We have to ignore the deficit. It is not the 3 per cent of GDP that matters. We have to look at a way to stimulate the economy and have a pro-growth taxation system so we can apply those extra revenues to the debt. That is what is important.

I thank the member for his kind intervention.

Mr. George S. Baker (Gander—Grand Falls, Lib.): Mr. Speaker, I enjoyed listening to the hon. member. However, I am not too certain that the solution is as simple as he purports.

The corporate tax rate in Canada is 38 per cent. When provincial corporate taxes are added the average is 43.4 per cent. In the United States the tax rate is 35 per cent nationally. When state taxes are added the average is 40.3 per cent. In Japan the corporate tax rate has never been below 50 per cent. In fact, the corporate tax rate today in Japan is 52.5 per cent. The corporate tax rates in France and Germany, which are major trading partners of the largest nations in the world, in Germany range from 56 to 44 per cent, with France at 33 per cent.

The hon. member is suggesting a substantial decrease in corporate taxes, with a single rate of tax. In fact he has expanded that to personal income taxes. He suggests that there should be a simple direct rate which would be the same for everybody regardless of income. I would ask him what deductions, if any, he would allow for corporations if that were the case.

Mr. Silye: Mr. Speaker, the hon. member is quite right that the corporate tax is complicated in Canada with all the provincial and federal taxes. However, I believe that in a reform of the taxation system, businesses and individuals should be taxed at the same rate, that the income generated by individuals or businesses should only be taxed once and that the rate would be based on federal expenditures. However, we have to move expenditures under direct spending, not under tax expenditures, so we will know exactly what these programs are costing us.

When it comes to business directly, there are deductions which we can explore when looking at tax reform. Decisions have to be made. Currently we treat active and investment

income the same way. The Hall-Rabushka model for a flat tax makes interest payments that are received by individuals non-taxable and non-deductible and all of the capital gains and dividends are paid at the corporate level. The corporations actually end up paying more taxes in that model.

When we explored that we found that the pure flat tax system for corporations would allow wages, benefits and salaries to be deducted, as well as input costs and the cost of sales. If they were allowed a 100 per cent write off in the year of acquisition for taxation purposes, for balance sheets purposes, they could still amortize it out or depreciate it. However, no interest deductibility on the cost of borrowing money would lower interest rates. Effectively there could be a rate of 20 per cent which would be revenue neutral.

We could probably get rid of the GST with another 4.5 per cent on that. With a rate of 24 per cent or 25 per cent it would be gone. There is a whole department gone and a half billion dollars in collection costs gone. There would then be \$5 billion to \$6 billion more in revenue from the corporate sector than there is now.

The trade off is that there will be CFIBs, but all businesses will be treated the same, whether they are manufacturing or high tech. Manufacturing could be 21 per cent, instead of the 38 he is talking about.

The small tax on business is a concern. The member for Broadview—Greenwood found a lot of lobby groups came to him and complained that we would lose that 12 per cent tax on the first \$200,000. If we had this kind of a tax reform, where we put it out there to everyone and said: "We are looking for equity and everybody has to share in this equity", we could then have a system that is simple enough so more people could understand it. The rate could be low enough that people would work in the surface economy instead of the underground economy. It could high enough that it would generate close to the revenues that we want and need now. I do not accept the conclusions of economists who say that we have to be revenue neutral right now. I argue that if I am a little bit short the money will come through the effect of the growth in the economy. If it is combined with more spending cuts, if we spend the money on behalf of businesses, if we give people the money to start a business, we are—

(1635)

The Acting Speaker (Mr. Kilger): Order. It is with great hesitation that I interrupt the question and comment period. The full time has elapsed. I must ask for a resumption of debate.

Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the bells having rung:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, a division on the question now before the House stands deferred until five o'clock today, at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

LAW COMMISSION OF CANADA ACT

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.) moved that Bill C-106, an act respecting the Law Commission of Canada, be read the second time and referred to a committee.

He said: Mr. Speaker, I rise to speak in connection with Bill C-106. May I say at the outset that by tabling this bill the government fulfils a commitment which it made during the campaign of 1993, a commitment that was expressed clearly in the red book to restore the important machinery for law reform that had been abolished by the previous government.

This bill fulfils that commitment by creating a new body to be known as the Law Commission of Canada, a commission whose objective would be continuously to monitor the evolution of Canadian law, to advise the government, and Parliament, on its improvement and modernization, and to do so in a manner that would reflect our unique bijuridical system of law: the common law and the civil code.

[Translation]

In short, this Commission will play a major role in fulfilling the responsibility—common to every generation—of keeping Canadian law relevant to the needs and conditions of our time. The task is a much more difficult and complex one than it was in the early 1970s, when the former Law Reform Commission was formed.

[English]

Now in the mid-1990s we are swept along on a tide of social change, change involving technology, change involving social life itself. In some areas, these transformations have rendered existing law either obsolete or inadequate. In others, we confront issues that have not yet been addressed by law or by precedent.

(1640)

It is the view of the government that we need a commission with respect to law, a commission that is independent and objective to provide informed commentary to government on the directions it should take.

Let me provide some examples to hon. members about the kinds of challenges to which I refer. One is the increased risk and incidence of economic crime flowing from the application of computer technology in financial markets, the way funds are transferred from person to person and, indeed, from continent to continent. Another is the steady parade of new questions that accompany the commercialization of biotechnology. A third is the emergence of issues raised by the mass application of new information technology, such as the use of the Internet for hate messages or pornography.

In addition, there are issues that concern the functioning of the criminal justice system itself, including the effectiveness of that system or the effectiveness of incarceration for certain offences as compared with other sanctions.

[Translation]

To compound the challenge, these issues are emerging at a time of profound social and political change. In many respects, Canadians are not the same people they were a quarter of a century ago.

The charter of rights and freedoms has changed the way we look at the law and at each other. People are no longer content to leave government to politicians and bureaucrats, and law to lawyers. They insist on having a hand in decisions which affect their lives.

[English]

Something else that is different in the 1990s is the fiscal environment. We must cope with these challenges with drastically reduced budgets. The quality of every option and of every decision must be tested not only for theoretical effectiveness but also for financial feasibility.

For all these reasons, the government is not proposing in Bill C-106 a restoration of the last Law Reform Commission brick by brick. We propose the creation of an entirely new institution, a new kind of institution, to deal with new issues in new ways.

The law commission visualized in Bill C-106 will first of all be an independent and accountable body working at arm's length from government and operating in a mode that matches the challenges and the constraints of our time, that is to say, it will

work with the windows open. It will make law reform a visible, understandable process in which not just legal professionals but Canadians in every walk of life can play their part.

Furthermore, because of its structure, the commission will not be remote or isolated. Last but not least, it will approach its task with a vigilant attention to cost.

The principles that will govern the make-up of a commission and guide it in its work are set out in the preamble of Bill C-106. The House should know that these principles were not developed in a theoretical test tube. They emerged in a rigorous nationwide consultation that preceded the drafting of the bill. They reflect the synthesized thinking of many disciplines, sectors and groups. These are the characteristics that Canadians tell us the process must embody if it is to work effectively.

The first principle is related to the unwritten goal of every aspect of this work, the building and the maintenance of confidence in our system of justice. To that end, this principle points to the need to democratize and demystify the making and remaking of the law.

It provides that the commission must be transparent, must involve disparate interests in its work. The door to the workshop of law reform must be open to all who want to watch or join in the process. The results of that work must be available for inspection by all in a form understandable by all.

(1645)

The second principle is that the commission must not only have keen foresight, it must also have wide peripheral vision. It must see the challenges of law reform in their full social and economic context. To achieve this end, the commission will have to be multi-disciplinary in its approach. It will focus not just legal expertise on the issues, although that will be needed, but the talent and training of all the relevant disciplines—for example, in economics, in technology, in the social and natural sciences, in the field of law enforcement.

The third principle is that the commission should be responsive and accountable. Specifically, it should forge partnerships with a wide range of interested groups and in particular with the academic community. The law is never static. Only in this way can the commission keep ahead of endless change to avoid gaps or duplication in agendas and to make the most of limited resources.

[*Translation*]

The fourth principle is one that would have seemed odd in legislation drafted 25 years ago, but seems perfectly natural today.

It is a requirement that the Commission, as it tackles today's tasks, employ today's technologies, wherever it is appropriate to do so. The Commission must take advantage of the capabilities

Government Orders

of new tools and new methods, particularly in information technology. This is essential to success in every aspect of the Commission's operations—to its ability to share work with other groups and institutions—and to operate effectively within its modest budget.

[*English*]

The fifth principle relates to the overriding requirement that we arrive at solutions we can pay for. This principle requires that the commission in its deliberations must never fail to consider the elements of cost and economic impact. This too is a matter of relevance in the 1990s.

These then are the five principles as set forth in the preamble. There is a sixth, which may not be spelled out expressly but which hon. members will find implicit throughout the statute. That is to say, the requirement for balance, the need for the commission to be both independent of government in its decisions and accountable to the public for its actions. This principle and indeed all the others find expression in the structure of the commission as set forth in clause 7 of the bill. Let me touch briefly on that structure.

The executive branch of the Law Commission would be appointed by order in council. It would comprise five members, a full-time president and four part-time commissioners, who may all be drawn from different disciplines. In terms of size, it seems to me this is the balance we need: large enough to be diverse, but small enough to be decisive.

The fact that four of the five commissioners will serve part time has many important advantages. First of all, it means that these individuals will not run the risk of becoming isolated from the world beyond the national capital region. They will retain their roots in their home communities and in the sectors they represent and their careers will not be interrupted. There is another benefit. It will make it easier for government to attract the calibre of person we want on such a commission to join in the work of law reform.

The second element is an advisory council made up of 25 members representing a variety of viewpoints and disciplines and backgrounds. All of these people will serve as unpaid volunteers, except for reimbursement of expenses. This arrangement supports the independence of the process. The council will be appointed by the commission, not by the government, and the commission, not the government, will be the client of the council.

The third component also fosters independence of the whole. It comprises the study panels that the commission will set up as required to focus on specific issues. Each panel would be headed by one of the commissioners and the other panel members would be drawn from the relevant disciplines or interested groups. For instance, a study panel on biotechnology might include re-

Government Orders

representatives of the industry, the health sciences, consumer groups, and the legal profession.

(1650)

The use of these panels will also contribute to the cost-effectiveness of the process. These bodies will be transient rather than permanent. They will come into being as the issues emerge. They will then do their work and they will disband. Panel members will perform this public service on a voluntary, unpaid basis.

These then are the components of the Law Commission of Canada as proposed in Bill C-106. The structure is simple. It is also economical. The commission will be served by a small secretariat of no more than eight people. Instead of retaining an in-house staff to conduct studies, the commission will contract for research from outside sources. In this way we will avoid duplicating the effort of provincial reform bodies or work being done in the academic communities. As a result, the commission will be highly cost-effective.

Although the last law reform commission, abolished by the previous government, cost \$5 million a year to run, the law commission proposed in Bill C-106 will have a budget of \$3 million, all of which will be found through a redeployment of existing funds. It seems to me that we can be confident of getting the job done within these constraints because of the new commission's composition and because of the way it is approaching its work: the use of new technology, a commitment to partnership endeavours, and the reliance on voluntary advisers and panel members.

That brings me to my final observation. The legislation would give the new commission a mandate to explore and to innovate. That requirement is explicit in the purpose section of the bill, which provides that the commission's tasks will include the development of new approaches to law and new concepts of law.

What does that mean? Among other things, it means that the commission will not feel compelled to recommend as the solution for every problem a new law or even an amended law. Its mandate requires the commission to look at the full range of options. It is vitally important that it do so. One of the most urgent challenges of law reform is to cope with change without creating an impassable morass of litigation, administration, and enforcement.

The system is close to being overburdened now. A primary goal of the commission will be not only to avoid increasing that load but indeed to lighten it. As the purpose section of the bill provides, the commission's task will include, "the development of measures to make the legal system more efficient, economical and accessible".

As to the balance in that architecture of independence and accountability, obviously both elements are indispensable: in-

dependence because the value of the commission will depend in large part on its ability to provide expert impartial advice to the government on legislative programs and policies; accountability because the commission will be a public body serving the people of Canada, and as such it must answer to the people and their elected representatives for the conduct of its affairs and the quality of its work.

I believe these principles are reflected in the arrangements the bill describes. The commission will submit its reports and recommendations to Parliament through the Minister of Justice of the day. That minister must forward these products of the commission to Parliament untouched, unaltered, and must respond to them in a specific period. On the other hand, the responsibility for the final decision about their disposition remains, as of course it must, with the government.

[*Translation*]

Hon. members will find balance built into not just the general design but the details of this legislation. One example is to be found in the sections under the heading "Purpose, Powers and Duties of Commission". The Commission will draw up its own agenda—but will consult with the Minister of Justice before finalizing it.

[*English*]

The legislation would also require the minister to consult with the commission before referring other matters to it for consideration.

(1655)

As I have said, the essential purpose of the bill is to bring a wide-ranging integrated approach to the reform of Canadian law. The law is more than a book of statutes. It is a living thing, a presence in our individual lives. The law is also the infrastructure of our social and economic life. Seen in that context, the task of law reform is part of the wider work of nation building, of advancing our collective and individual well-being, of building social harmony, improving our competitiveness, our standard of living, our quality of life, and our relations with each other.

It was in the 18th century that the British jurist Lord Mansfield said that as the usages of society alter the law must adapt itself to the changing needs of all. At the end of the 20th century that is still the task. I suggest that the instrument proposed in Bill C-106 will help us meet that continuing challenge.

[*Translation*]

The Acting Speaker (Mr. Kilger): Before yielding the floor to the hon. member for Saint-Hubert, may I suggest to the House that we call it 5 p.m.?

Some hon. members: Agreed.

EMPLOYMENT EQUITY ACT

The House resumed from October 17 consideration of the motion that Bill C-64, an act respecting employment equity, be now read the third time and passed.

The Acting Speaker (Mr. Kilger): It being 5 p.m., pursuant to Standing Order 45(5), the House will now proceed to a deferred division at the third reading stage of Bill C-64, an act respecting employment equity.

Call in the members.

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

(Division No. 349)

YEAS

Members

Adams
Althouse
Augustine
Baker
Bélanger
Bellemare
Bertrand
Bevilacqua
Blaikie
Bodnar
Boudria
Caccia
Campbell
Caron
Clancy
Collenette
Comuzzi
Cowling
Culbert
DeVillers
Dromisky
Duhamel
Dupuy
Eggleton
Fewchuk
Fontana
Gaffney
Galloway
Gerrard
Grose
Harb
Harvard
Hopkins
Ianno
Irwin
Jordan
Knutson
Landry
Laurin
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leroux (Richmond—Wolfe)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Massé
McGuire
McLaughlin
McTeague
Miffin
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunez
O'Brien
Pagtakhan
Peric
Peterson
Picard (Drummond)
Pillitteri
Regan
Rideout

Alcock
Assadourian
Axworthy (Winnipeg South Centre/Sud-Centre)
Bélair
Bellehumeur
Bernier (Beauce)
Bethel
Bhaduria
Blondin—Andrew
Bonin
Brushett
Calder
Cannis
Catterall
Cohen
Collins
Copp
Crawford
de Savoye
Dhaliwal
Dubé
Dumas
Easter
English
Finlay
Fry
Gagliano
Gauthier
Gray (Windsor West/Ouest)
Guarnieri
Harper (Churchill)
Hickey
Hubbard
Iftody
Jackson
Kirkby
Kraft Sloan
Lastewka
Lavigne (Beauharnois—Salaberry)
Lee
Leroux (Shefford)
MacDonald
Malhi
Manley
Marleau
McCormick
McKinnon
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Milliken
Minna
Murphy
Nault
Nunziata
O'Reilly
Parrish
Peters
Phinney
Pickard (Essex—Kent)
Proud
Richardson
Riis

Ringuette—Maltais
Rock
Serré
Simmons
Solomon
St-Laurent
Stewart (Northumberland)
Taylor
Thalheimer
Torsney
Ur
Vanclief
Verran
Walker
Whelan
Young

Government Orders

Robinson
Sauvageau
Sheridan
Skoke
Speller
Stewart (Brant)
Szabo
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Valeri
Venne
Volpe
Wells
Wood
Zed —156

NAYS

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud-Est)
Chatters
Epp
Gilmour
Grey (Beaver River)
Hanrahan
Harris
Hayes
Hill (MacLeod)
Jennings
Kerpan
Meredith
Morrison
Ramsay
Schmidt
Silye
Strahl
Williams—41

Abлонczy
Breitkreuz (Yellowhead)
Bridgman
Bryden
Duncan
Frazer
Gouk
Grubel
Harper (Simcoe Centre)
Hart
Hermanson
Hoepfner
Johnston
Mayfield
Mills (Red Deer)
Penson
Ringma
Scott (Skeena)
Solberg
Wayne

PAIRED MEMBERS

Anawak
Bachand
Barnes
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Oakville—Milton)
Cauchon
Chan
Crête
Daviault
Dingwall
Duceppe
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Godin
Guay
Jacob
Lalonde
Lavigne (Verdun—Saint-Paul)
Leblanc (Longueuil)
Lincoln
MacAulay
Maheu
Martin (Lasalle—Émard)
Mercier
Pagtakhan
Paré
Payne
Scott (Fredericton—York—Sunbury)

Asselin
Bakopanos
Bélisle
Bernier (Gaspé)
Bertrand
Brien
Canuel
Chamberlain
Chrétien (Frontenac)
Dalphond—Guiral
Debien
Discepolo
Finestone
Godfrey
Graham
Guimond
Keyes
Langlois
Lebel
Lefebvre
Loubier
Maclaren
Marchand
Ménard
Ouellet
Paradis
Patry
Robillard
St. Denis

Government Orders

(1725)

[English]

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

(Bill read the third time and passed.)

* * *

**CANADA-UNITED STATES TAX CONVENTION ACT,
1984**

The House proceeded to the consideration of Bill S-9, an act to amend the Canada-United States Tax Convention Act, 1984, as reported (with amendment) from the committee.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the House will now proceed to the deferred divisions at report stage of Bill S-9, an act to amend the Canada-United States Tax Convention Act, 1984.

The first question is on Motion No. 1.

Mr. Boudria: Mr. Speaker, if you were to seek it you might find unanimous consent. One or two members may wish to vote otherwise, but you might find consent for the members who voted on the previous motion to be recorded as having voted on the motion now before the House, with Liberal members voting nay on this motion.

Mr. Baker: Mr. Speaker, I certainly would not give unanimous consent to vote the same way as other Liberal members on the bill, in fact not the same way as the Reform or the Bloc will vote on the bill.

The Acting Speaker (Mr. Kilger): I wonder if I might ask for clarification from the hon. member for Gander-Grand Falls. Is he stating his own intention of voting or is he also declining the unanimous consent?

Mr. Baker: Mr. Speaker, I moved the motion so obviously I would support Motion No. 1.

On Motion No. 2 perhaps there are other members who may feel the same way as I do about the amendments I have put forward so I would suggest that the vote proceed.

The Acting Speaker (Mr. Kilger): There is not unanimous consent.

(The House divided on Motion No. 1, which was negated on the following division:)

(Division No. 350)

YEAS

Members

Althouse
Blaikie
Easter
Nunziata
Robinson
Solomon

Baker
Caccia
McLaughlin
Riis
Simmons
Taylor—12

Abbott
Alcock
Augustine
Bélair
Bellehumeur
Benoit
Bertrand
Bevilacqua
Blondin—Andrew
Bonin
Breitkreuz (Yellowhead)
Bridgman
Brushett
Calder
Cannis
Catterall
Cohen
Collins
Copp
Crawford
de Savoye
Dhaliwal
Duhamel
Duncan
Eggleton
Epp
Finlay
Frazier
Gaffney
Galloway
Gerrard
Gouk
Grey (Beaver River)
Grubel
Hanrahan
Harper (Churchill)
Harris
Harvard
Hermanson
Hill (MacLeod)
Hopkins
Irwin
Jennings
Jordan
Kirkby
Kraft Sloan
Lastewka
Lavigne (Beauharnois—Salaberry)
Lee
Leroux (Shefford)
MacDonald
Malhi
Manley
Marleau
Mayfield
McKinnon
McTeague
Meredith
Mills (Broadview—Greenwood)
Mitchell
Murphy
Nault
O'Brien
Pagtakhan
Penson
Peters
Phinney
Pickard (Essex—Kent)
Proud
Regan
Ringma
Sauvageau
Scott (Skeena)
Sheridan
Skoke
Speller
Stewart (Brant)
Strahl
Terrana
Tobin

NAYS

Members

Ablonczy
Assadourian
Axworthy (Winnipeg South Centre/Sud-Centre)
Bélanger
Bellemare
Bernier (Beauce)
Bethel
Bhaduria
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud-Est)
Bryden
Campbell
Caron
Chatters
Collenette
Comuzzi
Cowling
Culbert
DeVillers
Dubé
Dumas
Dupuy
English
Fewchuk
Fontana
Fry
Gagliano
Gauthier
Gilmour
Gray (Windsor West/Ouest)
Grose
Guarnieri
Harb
Harper (Simcoe Centre)
Hart
Hayes
Hickey
Hoepfner
Iftody
Jackson
Johnston
Kerpan
Knutson
Landry
Laurin
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leroux (Richmond—Wolfe)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Massé
McCormick
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Milliken
Mills (Red Deer)
Morrison
Murray
Nunez
O'Reilly
Parrish
Peric
Peterson
Picard (Drummond)
Pillitteri
Ramsay
Rideout
Rock
Schmidt
Serré
Silye
Solberg
St-Laurent
Stewart (Northumberland)
Szabo
Thalheimer
Torsney

Government Orders

Tremblay (Rimouski—Témiscouata)	Ur
Valeri	Vanclief
Venne	Volpe
Walker	Wayne
Whelan	Williams
Wood	Young—172

PAIRED MEMBERS

Anawak	Asselin
Bachand	Bakopanos
Barnes	Bélisle
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bouchard	Brien
Brown (Oakville—Milton)	Canuel
Cauchon	Chamberlain
Chan	Chrétien (Frontenac)
Crête	Dalphond—Guiral
Daviault	Debien
Dingwall	Discepola
Duceppe	Finestone
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Godfrey
Godin	Graham
Guay	Guimond
Jacob	Keyes
Lalonde	Langlois
Lavigne (Verdun—Saint-Paul)	Lebel
Leblanc (Longueuil)	Lefebvre
Lincoln	Loubier
MacAulay	Maclaren
Maheu	Marchand
Martin (Lasalle—Émard)	Ménard
Mercier	Ouellet
Pagtakhan	Paradis
Paré	Patry
Payne	Robillard
Scott (Fredericton—York—Sunbury)	St. Denis

(1735)

The Acting Speaker (Mr. Kilger): I declare Motion No. 1 lost.

[*Translation*]

The next question is on Motion No. 2.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe that you would find unanimous consent in the House to apply the vote just completed on Motion No. 1 to Motion No. 2.

Mr. Laurin: Mr. Speaker, the Bloc members will vote nay.

[*English*]

Mr. Ringma: All right thinking Reformers will also vote no.

Mr. Solomon: Mr. Speaker, all New Democrats present in the House this afternoon will be voting yea on this motion.

Mrs. Wayne: Mr. Speaker, all the PCers will be voting nay.

Mr. Bhaduria: Mr. Speaker, I will be voting against this motion.

Mr. Baker: Mr. Speaker, I rise on a point of order. I presume you will have me down as voting in favour of the motion. That is exactly what I want, and in case any other members want to do the same thing they are free to do so.

The Acting Speaker (Mr. Kilger): In response to the intervention by the hon. member for Gander—Grand Falls, the vote just taken on Motion No. 1 will be applied to Motion No. 2. Is that agreed?

Mr. Ianno: Mr. Speaker, on this motion I would like to vote contrary to what I did on the last vote.

The Acting Speaker (Mr. Kilger): The Chair will need some clarification from the hon. member for Trinity—Spadina. Could he could be more specific? Is he voting yea or nay?

Mr. Ianno: I am voting for the amendment. I am voting yea.

(1740)

Miss Grey: Mr. Speaker, I have a question. I know we are applying votes in the interest of saving time and that is great. However I am wondering about the members who leave.

There were members who voted on the first one. Will there names automatically appear? Who knows who has left? Can they leave after one vote and then just have their names on the list for the rest of the night?

The Acting Speaker (Mr. Kilger): In response to the hon. member for Beaver River, unless we have a very definite way of doing things such as through a roll call, the Chair assumes that members would be staying for the subsequent vote that would be applied.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. It is a fundamental principle of the House, and you are the guardian of the principles of the House, that in order to be recorded as voting on a matter the member's presence is required in the House.

Is the hon. member opposite indicating that certain members left the House?

An hon. member: That is right.

Mr. Nunziata: Then I do not see, Mr. Speaker, how you can apply a previously held vote to this vote when certain members have left.

If you take that position, I would suggest that you are setting an unfortunate precedent and that in future when this type of approach is taken to multiple votes in the House it would be open for any member to leave the House once the first vote is taken and to have his or her vote applied to each and every other vote taken in the House.

I would ask that you reconsider that position.

Government Orders

Mr. Solomon: Mr. Speaker, I rise on the same point of order. I wish to inform the Speaker and the House that when this arrangement was made for the sake of speeding up the vote it was assumed that all members would remain in the House during the course of the speeding up of the vote.

I support the contention of the hon. member opposite that if this precedent is set it would be unfavourable and unacceptable to the NDP caucus.

Mr. Boudria: Mr. Speaker, I respectfully suggest that you take the vote row by row, as usual, on report stage Motion No. 2. Hopefully that will get the process started again.

The Acting Speaker (Mr. Kilger): I just want to set the record straight if I misled any member of the House. I have no dispute whatsoever with the hon. member for York South—Weston, the hon. member for Regina—Lumsden or any other member with respect to the tradition of the House. I was simply trying to clear the air by saying that yes, the Chair assumes members are staying.

Unless we can actually verify the absence of someone clearly and definitely, obviously the best measure is to take the advice of the chief government whip and take the vote on Motion No. 2.

(The House divided on Motion No. 2, which was negated on the following division:)

*(Division No. 351)***YEAS**

Members

Althouse
Blaikie
Easter
McLaughlin
Nunziata
Robinson
Solomon
Wells —15

Baker
Caccia
Ianno
Minna
Riis
Simmons
Taylor

NAYS

Members

Abbott
Adams
Assadourian
Bélair
Bellehumeur
Benoit
Bertrand
Bhaduria
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud—Est)
Bryden
Campbell
Caron
Chatters
Collette
Comuzzi
Cowling
Culbert
De Villiers
Dromisky
Duhamel
Duncan

Ablonczy
Alcock
Augustine
Bélangier
Bellemare
Bernier (Beauce)
Bethel
Blondin—Andrew
Bonin
Breitkreuz (Yellowhead)
Bridgman
Brushett
Calder
Cannis
Catterall
Cohen
Collins
Copp
Crawford
de Savoye
Dhaliwal
Dubé
Dumas
Dupuy

Eggleton
Epp
Finlay
Frazer
Gaffney
Galloway
Gerrard
Gouk
Grey (Beaver River)
Grubel
Hanrahan
Harper (Churchill)
Harris
Harvard
Hermanson
Hill (Macleod)
Hopkins
Irwin
Jennings
Jordan
Kirkby
Kraft Sloan
Lastewka
Lavigne (Beauharnois—Salaberry)
Lee
Leroux (Shefford)
MacDonald
Malhi
Manley
Marleau
McCormick
McLellan (Edmonton Northwest/Nord—Ouest)
McWhinney
Milliken
Mills (Red Deer)
Morrison
Murray
Nunez
O'Reilly
Parrish
Peric
Peterson
Picard (Drummond)
Pillitteri
Ramsay
Rideout
Rock
Schmidt
Serré
Silye
Solberg
St-Laurent
Stewart (Northumberland)
Szabo
Tobin
Tremblay (Rimouski—Témiscouata)
Valeri
Venne
Walker
Whelan
Wood

English
Fewchuk
Fontana
Fry
Gagliano
Gauthier
Gilmour
Gray (Windsor West/Ouest)
Grose
Guarnieri
Harb
Harper (Simcoe Centre)
Hart
Hayes
Hickey
Hoeppner
Ifody
Jackson
Johnston
Kerpan
Knutson
Landry
Laurin
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leroux (Richmond—Wolfe)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Mayfield
McKinnon
McTeague
Meredith
Mills (Broadview—Greenwood)
Mitchell
Murphy
Nault
O'Brien
Pagtakhan
Penson
Peters
Phinney
Pickard (Essex—Kent)
Proud
Regan
Ringma
Sauvageau
Scott (Skeena)
Sheridan
Skoke
Speller
Stewart (Brant)
Strahl
Thalheimer
Torsney
Ur
Vanclief
Volpe
Wayne
Williams
Young—170

PAIRED MEMBERS

Anawak
Bachand
Barnes
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Brown (Oakville—Milton)
Cauchon
Chan
Crête

Asselin
Bakopanos
Bélisle
Bernier (Gaspé)
Bertrand
Brien
Canuel
Chamberlain
Chrétien (Frontenac)
Dalphond—Guiral

Government Orders

Daviault
Dingwall
Duceppe
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Godin
Guay
Jacob
Lalonde
Lavigne (Verdun—Saint-Paul)
Leblanc (Longueuil)
Lincoln
MacAulay
Maheu
Martin (Lasalle—Émard)
Mercier
Pagtakhan
Paré
Payne
Scott (Fredericton—York—Sunbury)

Debien
Discepolo
Finestone
Godfrey
Graham
Guimond
Keyes
Langlois
Lebel
Lefebvre
Loubier
Maclaren
Marchand
Ménard
Ouellet
Paradis
Patry
Robillard
St. Denis

Dupuy
Eggleton
Epp
Finlay
Frazier
Gaffney
Galloway
Gerrard
Gouk
Grey (Beaver River)
Grubel
Hanrahan
Harper (Churchill)
Harris
Harvard
Hermanson
Hill (Macleod)
Hopkins
Ianno
Irwin
Jennings
Jordan
Kirky
Kraft Sloan
Lastewka
Lavigne (Beauharnois—Salaberry)
Lee
Leroux (Shefford)
MacDonald
Malhi
Manley
Marleau
McCormick
McKinnon
McTeague
Meredith
Mills (Broadview—Greenwood)
Minna
Morrison
Murray
Nunez
O'Reilly
Parrish
Peric
Peterson
Picard (Drummond)
Pillitteri
Ramsay
Rideout
Rock
Schmidt
Serré
Silye
Solberg
St-Laurent
Stewart (Northumberland)
Szabo
Thalheimer
Torsney
Ur
Vanclief
Verran
Walker
Wells
Williams
Young—179

Easter
English
Fewchuk
Fontana
Fry
Gagliano
Gauthier
Gilmour
Gray (Windsor West/Ouest)
Grose
Guarnieri
Harb
Harper (Simcoe Centre)
Hart
Hayes
Hickey
Hoepfner
Hubbard
Iftody
Jackson
Johnston
Kerpan
Knutson
Landry
Laurin
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leroux (Richmond—Wolfe)
Loney
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marchi
Mayfield
McGuire
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Milliken
Mills (Red Deer)
Mitchell
Murphy
Nault
O'Brien
Pagtakhan
Penson
Peters
Phinney
Pickard (Essex—Kent)
Proud
Regan
Ringma
Sauvageau
Scott (Skeena)
Sheridan
Skoke
Speller
Stewart (Brant)
Strahl
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Valeri
Venne
Volpe
Wayne
Whelan
Wood

(1750)

The Acting Speaker (Mr. Kilger): I declare Motion No. 2 negated.

Hon. Douglas Peters (for the Minister of Finance) moved that the bill, as amended, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

(Division No. 352)

YEAS

Members

Abbott
Adams
Assadourian
Bélair
Bellehumeur
Benoit
Bertrand
Bhaduria
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast/Sud—Est)
Bryden
Calder
Cannis
Catterall
Cohen
Collins
Copps
Crawford
de Savoye
Dhaliwal
Dubé
Dumas

Ablonczy
Alcock
Augustine
Bélangier
Bellemare
Bernier (Beauce)
Bethel
Blondin—Andrew
Bonin
Breitkreuz (Yellowhead)
Bridgman
Brushett
Caccia
Campbell
Caron
Chatters
Collenette
Comuzzi
Cowling
Culbert
DeVillers
Dromisky
Duhamel
Duncan

NAYS

Members

Althouse
McLaughlin
Robinson
Taylor—7

Blaikie
Riis
Solomon

Government Orders

PAIRED MEMBERS

Anawak	Asselin
Bachand	Bakopanos
Barnes	Bélisle
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bouchard	Brien
Brown (Oakville—Milton)	Canuel
Cauchon	Chamberlain
Chan	Chrétien (Frontenac)
Crête	Dalphond—Guirail
Daviault	Debien
Dingwall	Discepola
Duceppe	Finestone
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Godfrey
Godin	Graham
Guay	Guimond
Jacob	Keyes
Lalonde	Langlois
Lavigne (Verdun—Saint-Paul)	Lebel
Leblanc (Longueuil)	Lefebvre
Lincoln	Loubier
MacAulay	Maclaren
Maheu	Marchand
Martin (Lasalle—Émard)	Ménard
Mercier	Ouellet
Pagtakhan	Paradis
Paré	Patry
Payne	Robillard
Scott (Fredericton—York—Sunbury)	St. Denis

(1800)

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

* * *

EXCISE TAX ACT

The House resumed consideration of the motion that Bill C-90, an act to amend the Excise Tax Act and the Excise Act, be read the third time and passed.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division at the third reading stage of Bill C-90, an act to amend the Excise Tax Act and the Excise Act.

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

(Division No. 353)

YEAS

Members

Adams	Alcock
Assadourian	Augustine
Baker	Bélair
Bélanger	Bellemare
Bertrand	Bethel
Blondin—Andrew	Bodnar
Bonin	Boudria
Brushett	Bryden
Caccia	Calder
Campbell	Cannis
Catterall	Clancy
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crawford	Culbert

DeVillers	Dhaliwal
Dromisky	Duhamel
Dupuy	Easter
Eggleton	English
Fewchuk	Finlay
Fontana	Fry
Gaffney	Gagliano
Galloway	Gerrard
Gray (Windsor West/Ouest)	Grose
Guarnieri	Harb
Harper (Churchill)	Harvard
Hickey	Hopkins
Hubbard	Ianno
Iftody	Irwin
Jackson	Jordan
Kirkby	Knutson
Kraft Sloan	Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacDonald
MacLellan (Cape/Cap-Breton—The Sydneys)	Malhi
Maloney	Manley
Marchi	Marleau
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord—Ouest)
McTeague	McWhinney
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murphy	Murray
Nault	Nunziata
O'Brien	O'Reilly
Pagtakhan	Parrish
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Regan
Richardson	Rideout
Ringuette—Maltais	Rock
Serré	Sheridan
Skoke	Speller
Stewart (Brant)	Stewart (Northumberland)
Szabo	Terrana
Thalheimer	Tobin
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Walker	Wells
Whelan	Wood
Young—125	

NAYS

Members

Abbott	Ablonczy
Althouse	Bellehumeur
Benoit	Blaikie
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Calgary Southeast/Sud-Est)
Caron	Chatters
de Savoye	Dubé
Dumas	Duncan
Epp	Frazer
Gauthier	Gilmour
Gouk	Grey (Beaver River)
Grubel	Hanrahan
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hill (Macleod)
Hoepfner	Jennings
Johnston	Kerpan
Landry	Laurin
Lavigne (Beauharnois—Salaberry)	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Mayfield
McLaughlin	Meredith
Mills (Red Deer)	Morrison
Nunez	Penson
Picard (Drummond)	Ramsay
Riis	Ringma
Robinson	Sauvageau
Schmidt	Scott (Skeena)
Silye	Solberg
Solomon	St-Laurent
Strahl	Taylor
Tremblay (Rimouski—Témiscouata)	Venne
Wayne	Williams—64

Private Members' Business

PAIRED MEMBERS

Anawak	Asselin
Bachand	Bakopanos
Barnes	Bélisle
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bouchard	Brien
Brown (Oakville—Milton)	Canuel
Cauchon	Chamberlain
Chan	Chrétien (Frontenac)
Crête	Dalphond—Guiral
Davialt	Debien
Dingwall	Discepola
Duceppe	Finestone
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Godfrey
Godin	Graham
Guay	Guimond
Jacob	Keyes
Lalonde	Langlois
Lavigne (Verdun—Saint-Paul)	Lebel
Leblanc (Longueuil)	Lefebvre
Lincoln	Loubier
MacAulay	Maclaren
Maheu	Marchand
Martin (Lasalle—Émard)	Ménard
Mercier	Ouellet
Pagtakhan	Paradis
Paré	Patry
Payne	Robillard
Scott (Fredericton—York—Sunbury)	St. Denis

(1805)

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

(Bill read the third time and passed.)

The Acting Speaker (Mr. Kilger): This concludes the votes for this evening.

It being 6.10 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

CANADA LABOUR CODE

The House resumed from June 15, 1995, consideration of the motion that Bill C-317, an act to amend the Canada Labour Code and the Public Service Staff Relations Act (scabs and essential services), be read a second time and referred to the Standing Committee on Human Resources Development.

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I welcome this opportunity to speak to Bill C-317 standing in the name of my colleague and friend from Manicouagan. The purpose of this bill is to amend the Canada Labour Code and the Public Service Staff Relations Act so as to deal with the issue of scabs and essential services in the case of labour disputes.

I am somewhat surprised to be in this position in 1995, because it seems to me this kind of legislation should have been passed long ago at the federal level.

The history of labour relations has more often than not been one of struggle and sometimes, unfortunately, one of violence.

When we study the history of the labour movement, we realize that when violence occurred, either on picket lines or as a result of a strike, it was in situations where the employer had hired strike breakers. In other words, he had replaced his employees who were legally on strike with people who were supposed to do the same work.

An hon. member: Scabs.

Mr. Caron: As my colleague says, scabs, to use a colloquialism.

I think it only makes sense that in 1995, the Canada Labour Code should contain a provision of this kind that would harmonize labour relations in situations where a strike may turn violent and ensure that employees who have temporarily lost their jobs are not replaced, since otherwise violence tends to develop on the picket lines and we get situations that are truly appalling.

I actually thought the Canada Labour Code contained a provision to that effect, because the Government of Quebec passed similar legislation in 1978, if I am not mistaken. At the time, representatives for the employers protested that it was not appropriate for the government to get involved in labour relations in a conflict situation of this kind, the excuse being that employers should be free to take any action necessary to continue their operations.

I think that at the time Quebec society made a wise decision when it told employers: Gentlemen, in our society, the government has a responsibility to provide leadership, to identify potentially violent situations and remove the cause of violence on the picket lines. In Quebec, if I remember correctly, we had two major disputes in which strike breakers were hired by companies and there was violence on the picket lines.

I remember the infamous strike in the sixties at United Aircraft in Longueuil and seeing on the news that armoured buses were bringing in people who were supposed to replace the workers who were legally walking the picket lines. This was a violent situation, and I think it is not in the interest of society to allow such situations to continue.

There was another case referred to at the time as the strike at Lapalme. This was a company connected with the Post Office Department. Its employees were on strike and, again, had been replaced with strike breakers or scabs. This dispute poisoned labour relations in Quebec for months and months. There were demonstrations supporting the workers, and petitions were signed. When the PQ government came to power in 1976, there had been considerable debate on the issue, so that legislation was adopted to regulate the whole issue of hiring strike breakers.

In fact, since that time, Quebec has had no violent conflicts comparable to those we saw in the sixties and seventies. Employers finally understood, although for a long time they were against this legislation. They were supposed to go to the Supreme Court but, if I remember correctly, the case was withdrawn in the eighties when the employers realized that the situation had improved since the passage of this bill.

Private Members' Business

I am very surprised that the Canada Labour Code did not take its cue from the Government of Quebec, especially since this concerns a large number of employees in Quebec. There are more than 200,000 employees in crown corporations, corporations regulated by the Canada Labour Code, out the public service. In Canada, there are more than one million. I think that the House of Commons should act responsibly and realize there is a major problem which should be dealt with as soon as possible.

(1815)

Why is this still a problem? I think there are two reasons. The first, obviously, is negligence. The official opposition has put a number of questions to the Minister of Labour since her arrival in the House. We asked her if the Canadian government was going to introduce legislation. Her replies have always been evasive. The questions put to her by the official opposition concerned a labour dispute which still today, in 1995, poisons labour relations at a flour mill in Montreal. The employees came and demonstrated outside Parliament; they came to hear us in the House galleries. The dispute has lasted a very long time.

What is odd is that this dispute involved the same company and the same people who were on the management side in a dispute that, a few years or months before the Parti Québécois enacted the legislation in Quebec, forced the government to take immediate action because one man had been killed. Somebody was shot at on the picket lines, and a worker died. The government assumed its responsibilities at that point.

Today we realize that the Government of Canada, with a minister whose arrival was a bit strange and whose role was rather vague—

Mr. Boudria: She was elected.

Mr. Caron: She was elected and a department was found for her. It could have been the department of the Canadian near north, it could have been the department of Canadian rain, or the department of the Rocky Mountains. It was simply a matter of finding her a department so she would have some credibility when she toured Quebec defending the option she is currently defending.

I am not saying this to criticize her work, but simply to point out that she did not do what she had to do as Minister of Labour. We do not feel there is a Minister of Labour in Canada in this case.

The second reason the Government of Canada is putting off passing legislation like this is one of ideology. You know that there was a law like this in Ontario. If I am not mistaken, it was passed by the NDP government. The new Harris government—I might say the harass government, but it is the Harris government—has announced that this law will be repealed.

I have not heard that the legislation in question had caused any more trouble in Ontario than in Quebec. It is being challenged for only one reason, an ideological one, which is to allow employers the freedom to do what they want with their property.

I thought that way of thinking was out of fashion in Canada today. I thought that the Canadian state had taken certain steps to oversee the action of employers in order to ensure a certain balance between the law of the market place, the law of might makes right, the law of the jungle, whatever you want to call it, and basic public interest. I believe that the attitude adopted by the Government of Ontario in this instance is a purely ideological one.

Nothing in Ontario labour relations in recent years has proven that the legislation was not working. In Quebec, on the contrary, it can be said that since 1978, in other words for 17 years now, there has been unanimous agreement that the act is working well. Even the Conseil de patronat du Québec gave up its Supreme Court challenge by the late 1980s.

I hope that this House will examine the bill of our colleague from Manicouagan with care, and will once and for all settle this pressing problem of justice in labour relations for all Canadian workers, and no doubt for a few months more for Quebec workers as well.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I would have liked to be able to say that I was pleased to rise today on Bill C-317. Unfortunately, earlier incidents prevent me from doing so.

(1820)

However, today, I will take a few moments to deal with it, and then I will talk about related issues. They are indeed related because, to a large extent, they have to do with remarks we heard today and I want to spend some more time dealing with those.

The bill sponsored by the member for Manicouagan is aimed at amending the Canada Labour Code with respect to public service staff relations. As it stands, this piece of legislation respecting the Canada Labour Code is relevant; unfortunately, I cannot support it. I believe that the proposals cannot be examined independently from the federal government's general approach to industrial relations.

[English]

Prohibiting the use of replacement workers and maintenance of essential services must be considered in the context of a comprehensive review of the Canada Labour Code.

[Translation]

Indeed, amending only one aspect of the Canada Labour Code is the wrong way to proceed; a certain balance must be struck when considering changes to labour laws. I am sure that this is what the government will be seeking when it eventually chooses to amend the Canada Labour Code.

Mr. Nunez: When? When?

Mr. Boudria: The member opposite wants to know when. The Canadian Parliament will undoubtedly have the opportunity in the future, as it did in the past, to improve all the laws for the good of the Canadian people. I commend the member who asked me when for his concern for Canada's future. I know that when the constitutional issue will have been settled, when we will have voted no in a few days, he and I will continue to strive to

improve the legislation in the long term. So when he worries about the exact date, I can tell the member for Bourassa that he will have ample time to examine these issues because in two weeks he will vote no and refuse separation and Quebec will still be part of Canada.

The member who spoke just before me mentioned that the Minister of Labour came to the House in a way that was a bit strange. I respectfully protested without disrupting the decorum of the House—

Mr. Nunez: As you often do.

Mr. Boudria:—as I do once in a while, and I specified that “a bit strange” in that case referred to her election.

We heard that many times in this House. We even heard a Bloc member say, a few weeks ago, that the labour minister was not as legitimate as other Quebec members because her constituents were mostly anglophones since she represents Westmount. We all remember those comments made in the House last week. The member for Bourassa heard them just as I did. He knows who uttered those words and he knows these comments were made.

We also heard a member say in this House—no, it was rather outside the House and the media reported it—that, in this referendum debate, maybe only the so-called old stock Quebecers should get involved in this issue. Surely the member for Bourassa does not support that theory. Indeed, I would be surprised if he did.

Mr. St-Laurent: Could we get back to the bill?

Mr. Boudria: The member opposite asks me to get back to the bill. It is not I who alluded to the supposedly strange way the labour minister—and we are talking about amending the labour code—was elected.

A few weeks ago, or should I say a few months ago, we heard derogatory remarks made against the member for Saint-Léonard, the secretary of state for parliamentary affairs, just because he also represented a riding composed mainly of an ethnic group that is different from that of other Canadians.

(1825)

An hon. member: How is this relevant?

Mr. Boudria: Mr. Speaker, I did not raise the issue of relevance. It is simply because, a few minutes ago, another member of this House referred to what he called a rather curious situation. I want to say a few more words about this curious situation because today a member of the media was the target of what I would call virulent attacks.

Joyce Napier, a well-known CBC reporter, was also insulted because her accent—I do not even know if this is true—is supposedly not quite the same as that of other Quebecers. This journalist was insulted in this way because another parliamentarian, this time the hon. member for Rimouski—Témiscouata, has decided that such attacks should be aimed not only at

Private Members' Business

members of other parties and of some cultural communities but also at members of the media.

Is this because the lady in question has a name that is—I do not know if it is English, Irish or Scottish—but the fact is that it is not—

Mr. Dubé: On a point of order, Mr. Speaker. I have been listening to the hon. member for a while and his remarks are not at all relevant to Bill C-317, which deals with antiscale legislation.

The Acting Speaker (Mr. Kilger): I have been in the chair since the beginning of private members' business and I clearly recall another member making a speech on the bill, in which he addressed other issues as well.

On the other hand, the hon. member for Glengarry—Prescott—Russell was certainly on the right track at the beginning of his speech.

An hon. member: Yes, at the beginning.

An hon. member: More or less.

The Acting Speaker (Mr. Kilger): More or less, but still I feel that in the little time he has left, he will certainly get back on topic.

Mr. Boudria: Mr. Speaker, I simply want to use another quote to make a point and then go back to the main issue.

Here is the quote. It reads: “Canada has always protected French speaking people. It always let them be assimilated. If you know a bit of history—given your accent and your language, you may not have been a Quebecer at the beginning—did you study Quebec's history?”

I now go back to the main issue, but I want the House to know that, at least as far as I am concerned, those who applaud when the member for Rimouski—Témiscouata makes such comments should also be condemned, just like she was when she lashed out at another person, thus showing once again the separatists' intolerance. We saw that. We also saw that intolerance when the Leader of the Opposition made his statement about little white babies. We saw it in other statements too. We saw it today and we see it again with the applause of another member.

[*English*]

I will conclude my remarks by saying that we do not intend to support the legislation.

[*Translation*]

Mr. St-Laurent: Mr. Speaker, I rise on a point of order.

We go to the trouble of introducing bills because we sincerely believe that the House serves some purpose, and I still believe it does. However, when I see the member for Glengarry—Prescott—Russell do what he just did for ten minutes, I begin to seriously question the true role of this House.

Private Members' Business

The Acting Speaker (Mr. Kilger): This is not a point of order, although we should always take great care to make our remarks relevant. The rule of relevancy is interpreted with a great deal of flexibility on both sides of the House.

I will now ask the hon. member for Glengarry—Prescott—Russell to conclude his remarks.

Mr. Boudria: I have finished, Mr. Speaker.

(1830)

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I will try to make my remarks strictly relevant to Bill C-317, an act to amend the Canada Labour Code. On page 1a of this bill, it says, and I will read very slowly so that everybody can understand:

The purpose of this bill is to prohibit the hiring of persons to replace employees of an employer under the Canada Labour Code or of the Public Service who are on strike or locked out.

This is what the bill is all about. This bill was carefully prepared by my colleague from Manicouagan, who carried out a study and who is sort of making a new attempt to remind the House that we must do something in this area. Another purpose of this bill is to ensure that essential services are maintained in the event of a strike or lockout in a crown corporation and in the public service.

Bill C-317 was introduced by the hon. member for Manicouagan, whom I want to congratulate again for his insight. He was able to come up with this piece of legislation by relying on his work experience. The purpose of this bill is to expand on what we already have in Quebec. It tries to influence this Parliament, even though we are in the middle of a referendum, because a lot of the federal provisions included in the Canada Labour Code affect workers in Quebec. This is why my hon. colleague introduced this bill.

May I remind you that it is not the first time that such an initiative is undertaken and that such a bill is introduced in the House. Without going into details, I want to mention as an example that, in November 1992, the Conservative member for Abitibi had brought forward Bill C-376 that had essentially the same intent as the introductory paragraph of the bill introduced by the member for Manicouagan.

Before that, during the postal strike, the present member for Richelieu, who was then a Conservative, tried twice to get the House to adopt legislation to prohibit the hiring of scabs by crown corporations. The first time was in February 1988 with Bill C-282 and the second time was in April 1989 with Bill C-201. That last bill was defeated by 18 votes only, which means that the member for Manicouagan has a good reason for trying again today, having seen that a good number of members from different parties in the House supported such a bill at that time.

The Liberal Party, then in opposition, expressed its support for the bill. Many Liberal members were in favour of the bill at that time. If we go back a little further, in 1980, Ed Broadbent, then leader of the NDP, introduced an antiscab bill. Since that time, several unions have asked various federal governments to pass a similar act. So, this is nothing new.

In October 1994, the present Minister of Human Resources Development promised that an anti-scab bill would be introduced in the spring of 1995. We all know what happened. A part of the responsibilities of the Minister of Human Resources Development were transferred to the present Minister of Labour, who seems to be too busy with the referendum because she has not yet introduced such a bill. Yet, the minister had made a priority of that issue after her appointment in February 1995. We are in October and nothing has been done.

I would like to remind the House that in Quebec, provincial anti-scab legislation was passed in 1977 and became part of the Labour Code. Since then, Ontario and British Columbia have passed similar legislation.

(1835)

The preventive, dissuasive and indicative role of the Quebec act has resulted in a 35 per cent decrease in the average number of labour conflicts since 1979. And 35 per cent is not a figure to be sneezed at.

There is agreement between the partners in the Quebec labour market on the beneficial effects of the Quebec legislation on scab labour. Even the strongly federalist and strongly pro-business Conseil du patronat du Québec has abandoned its challenge against these acts before the Supreme Court, saying that there have been improvements in labour relations in Quebec over the years since its passage.

And yet, as you know, there is a new government in Ontario and the new Mike Harris government, which is chummier with business than with workers, has promised to do away with Ontario's Bill 40 by the end of this year. It is noteworthy that Chrysler Canada has publicly advised the Harris government not to move too hastily on this change and to weigh the consequences. The auto maker fears that precipitous action might upset labour relations in Ontario. This is a very recent happening and right in Ontario. Chrysler Corporation is not just any company, it is a huge company, an important one, and it is warning the Government of Ontario not to take away the legislation.

In Quebec, 10 per cent of workers are governed by the Canada Labour Code, or about 217,000 people.

Now I will speak to you about one example of a labour conflict in Quebec which dragged on because Quebec's scab legislation was not enforced. That example is Ogilvie Mills Limited. Ogilvie processes grain, and somewhere in the Constitution, in Canadian constitutional law, it says that grain comes

Private Members' Business

under federal jurisdiction. So what happened at Ogilvie? Because it was federally regulated, Quebec's anti-scab legislation did not apply.

This dispute, which was settled only recently, went on and on, despite all attempts to reach a settlement. I remember raising the matter as the member for Lévis. Although Ogilvie is mainly in Montreal, there was an impact across Quebec. During the notorious dispute at CN, we told the Minister of Labour: You do not seem as anxious to appoint a mediator to settle the grain dispute at Ogilvie in the Port of Montreal.

The dispute dragged on and on and on, until it was settled quite recently, but it went on for many months, and in fact it lasted about 18 months, if I am not mistaken.

So what did the workers at Ogilvie want? What caused the dispute? It seems they just wanted to maintain their working conditions, not improve them, only maintain them. The company wanted to backtrack on conditions that had already been agreed to.

In the circumstances, it was perfectly normal for the employees to act as they did. Not many people, and I would even include members opposite and, in fact, all members of the House of Commons, would be prepared to go back to what conditions were in the past. And that was the problem.

I could mention another case in Quebec to illustrate my point. I come from the riding of Lévis. MIL Davie, a marine construction firm, comes under the Quebec Labour Code because the sector is regulated by the province. The company does not have the right to hire strike breakers. However, a small shipyard like the one at Les Méchins, which does ship repairs and is thus in a related sector, would be subject to the Canada Labour Code because of the federal government's jurisdiction over marine traffic, and so the anti-scab legislation would not apply.

Today, these shipyards are being invited to bid for the same jobs but they are not subject to the same conditions, the same bargaining rules.

(1840)

In the minute I have left I would like to say that—and it might look odd for a Bloc member involved in the current referendum campaign to encourage the federal government to pass anti-scab legislation—if the yes vote wins, Quebec will do what it likes once it is sovereign. We can envisage that.

However, at the same time, as the areas of labour relations are often interrelated and we want an open economy, we feel that our future neighbour, Canada, should be subject to the same conditions so that the rules for business—we are talking here of free trade—are consistent.

This is to be expected, and we want the members opposite to vote in favour of this legislation so that workers in all fields, particularly industry, enjoy the same conditions in this part of the North American continent.

[English]

Mr. Robert D. Nault (Parliamentary Secretary to the Minister of Labour, Lib.): Mr. Speaker, it is a pleasure for me to be here tonight in my first duties as the Parliamentary Secretary to the Minister of Labour and to speak briefly on Bill C-317.

I thank the member for Manicouagan for bringing this important bill forward. The member proposes to amend the Canada Labour Code and the Public Service Staff Relations Act. As I read it, there are two very important objectives here.

The first objective is to ban replacement workers when there is a strike or lockout in the public service or at an employer covered under the Canada Labour Code. The second objective is to ensure that essential public services are maintained in the event of a strike or lockout in the public service or at a crown corporation.

The issues raised in the bill are difficult and complicated. It deals with peoples' pocketbooks, their livelihoods and their rights. To those involved in labour relations, it will also influence Canada's economic and social progress.

Thus the bill merits our time and consideration. Any decisions taken on these issues have to be carefully thought through. Bill C-317 proposes to change part I of the Canada Labour Code. This part of the code is meant to achieve a balance of power between labour and management.

As a former union executive I know a careful balance is needed to keep the collective bargaining process running. Therefore I do not think it is wise to isolate or grab on to certain issues without considering the effect on the big picture. That is the point I want to emphasize.

As I am sure the hon. member is aware, there has not been a comprehensive review of the industrial relations provisions of the labour code in over 20 years. The last amendments were made in 1972 and before that we have to go back to 1948.

In 1972 amendments were made involving the certification process, new provisions to require good faith bargaining, the extension of the unfair labour practices section and increasing the authority of the Canada Labour Relations Board. Most important in my mind, especially in light of today's economy, was the inclusion of a section on technological change. This meant that unless a collective agreement dealt with the issue, an employer was required to give 90 days notice of any new technology likely to impact on working conditions or job security of a significant number of employees. That notice was lengthened in 1984 to 120 days.

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After such notice the union can apply to the CLRB for leave to notify the employer of its desire to reopen negotiations to discuss provisions for those workers affected by technology. Once notice is received the employer cannot make technological changes until the board denies the union application or an agreement is reached or the parties negotiate and reach a strike provision.

These changes were made only after extensive consultations with unions and employers and after two thorough studies. The Freedman study in the 1960s looked at the impact of technology at CN Rail and recommended a formula for labour and management to resolve disagreements over the consequences of new technology. As well, the Woods task force in 1968 examined just about every aspect of labour-management relations under federal jurisdiction. It commissioned a number of studies and submitted several important recommendations to the government.

(1845)

I have touched on history just to show that in Canada we do not fool around when it comes to labour-management relations. Hastily ill-conceived actions however well meaning can have serious consequences in this area.

Our tradition is to only change collective bargaining laws after thorough deliberation and consultation with all the stakeholders. This tradition has served us very well. It has allowed us to develop at the federal level at least. I will refrain from commenting on the radical and polarizing swings in my home province of Ontario over the last five years. We had the NDP way over here at one end for a little while and now we have the Conservatives, some would suggest very right wing indeed, going the other way. That kind of polarization and swinging back and forth does nothing for labour-management relations. In fact, it does a disservice to the people who have to make a living by collective bargaining.

Since the last amendments were made in 1972, the environment surrounding industrial relations has undergone a revolution. Free trade, deregulation, rapid technological advances and workplace restructuring place new demands on both labour and management. In light of this, we need a comprehensive review of the Canada Labour Code, not piecemeal action as suggested tonight.

In fact, the Minister of Labour launched such a review just a little while ago. This review is looking at the big picture. We want to improve the labour code to encourage co-operation between labour and management, to reduce unhealthy and counterproductive levels of conflict and to ensure that administrative bodies are responsive to the new and always changing labour relations environment.

Since last winter, extensive consultations have been carried out with labour, management and interested and knowledgeable third parties. Many issues are being studied, including those that

the member proposes to deal with in Bill C-317. It is a difficult task, as labour and management hold diametrically opposed viewpoints on these issues. For example, there is the issue of replacement workers. Let me quote Tom d'Aquino, whom we all know, and what he thinks on this ban.

Tom d'Aquino writes: "We would dramatically alter the delicate equilibrium which has been established over the course of many years between management and labour and firms which are subject to federal jurisdiction. The obvious result would be to strengthen the position of organized labour while simultaneously weakening management's position, with clear implications for the outcome of their private contractual negotiations. Government interference of this sort would violate the most basic principles of equity and fair play. It would be highly disruptive and entirely inconsistent with our open market economy. It also would override the fundamental rights of individuals to decide where and when they choose to work".

On the other side we have Bob White, whom we also know quite well. He is on record expressing the CLC's strong support for restrictions and even a total ban on replacement workers, including management staff.

Our job is to try to reconcile these deeply held, apparently incompatible positions. It will not be easy, but it is something we simply have to do.

Last June the Minister of Labour established a task force to conduct an independent review of part I of the labour code and to recommend changes. I want to mention tonight the issues and areas this task force will be looking at and to mention to the members opposite who have suggested that the Minister of Labour has done virtually nothing on this issue and that she has been somewhat reluctant to get involved in these major changes that are necessary for the economy and for the labour relations we have to deal with. The review will be completed by December 15. I am confident the people on the task force will do a thorough and professional job.

(1850)

The task force is dealing with very critical and important issues which include the conciliation and mediation process with a view to reducing delays and encouraging settlements and the possible role of alternative dispute settlements; fact finding and special mediation; the procedures for acquiring the right to strike or lockout; and the rights of employees, employers and bargaining agents once a strike or a lockout occurs. The general purpose of the code will be looked at as will the need for labour management committees, preventive mediation programs, grievance mediation and expedited arbitration. Bargaining unit structures including recommendations of industrial inquiry commissions into labour relations at west coast ports will be made regarding geographic certification provisions. Finally the need for alternative procedures or bargaining structures for the

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non-traditional work relationships like telework, contract work and casual employees will be looked at.

As members can see, although I did not lay them all out tonight, the task force has a large task ahead of it. There is a lot to do and not much time to do it. Then we will be able to make informed decisions on the issues raised by the separatist party opposite and on other issues as well taking into account the big picture.

In order to make sense of the whole process we will have to wait until the ongoing studies are complete. Then we will all be able to make an informed decision and a position will be reached by the government on what we will put in front of the House as far as new legislation is concerned.

That is what the federal government believes is the true way. We have put comprehensive labour relations management proposals to the House instead of the piecemeal approach suggested by the member opposite.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it is my privilege to participate in the debate on Bill C-317, sponsored by the member from the Bloc that deals with the ban on replacement workers.

The Bloc member favours a ban on replacement workers. This stems from the Bloc being very upset with the use of replacement workers by the American owners of the Montreal company known as Ogilvie flour mills. Because flour mills fall under federal jurisdiction and Quebec's provincial anti-replacement worker legislation had no effect on the company, I understand Bloc members feel it is important to bring the legislation forward to the House of Commons for us to review in private members' hour.

The proposal comes from a member of a separatist party that wants to take the province of Quebec out of Canada. We feel they do not realize the consequences of their actions. I do not think they realize the consequences of the bill as well. It is a bit like sandbox diplomacy where a youngster is playing in the sandbox and if he does not get along with his companion he says: "I am going to take my toys and go play in another sandbox. No one else can play with these toys; I will take them with me".

Hopefully when we are dealing with legislation and labour disputes we can get beyond sandbox diplomacy in politics. The sandbox approach to labour disputes and to labour legislation, particularly legislation such as the bill that would ban replacement workers, is not the solution to the problem. It would exacerbate the problem considerably.

I will not go on at great length debating the clauses of the bill proposed by my colleague. However I want to take a brief look at the consequences of labour disputes and perhaps a more constructive and positive way of resolving them other than banning replacement workers and getting into a frustrating

battle between labour and management where people take sides. I would also advise my colleague from the Bloc that perhaps this approach to labour legislation and a relationship with labour is not in their political best interests.

(1855)

All we have to do is look at our political cousins, the New Democratic caucus, and see what has happened to them over the years and what happened to them over this past weekend. They have always catered to the elite in the labour movement, the leaders, and felt that was the key to their political success. Even in their leadership convention over the weekend we saw where labour played a significant role in determining who the leader of the party would be. That has led to their political demise and even to an erosion of support among rank and file union workers because of their position on issues dealing with labour and management.

A word of advice to my colleagues in the Bloc Quebecois is that perhaps for their political well-being they might not be advised to pursue this type of legislation.

I want to discuss labour relations on the west coast, which impact on my part of the world. Western Canada is important. I know we debate Quebec and its relationship within Canada quite a bit these days. However, I just want to deal with the labour situation and replacement labour and perhaps a better approach to solving labour disputes from my perspective in Saskatchewan.

Since 1972, six labour disputes relating to the west coast ports were settled by federal back to work legislation. Two other labour disputes were settled by federal back to work legislation in 1988 and 1991. They were also directly related to grain handling disputes in British Columbia, although they were somewhat different.

Within the current term of this 35th Parliament, two labour disputes have occurred at the west coast ports and there had to be back to work legislation. Specifically, these are the West Coast Ports Operation Act, Bill C-10, and the West Coast Ports Operation Act 1995, Bill C-74. These relate to disputes occurring in February 1994 and March 1995.

That brings me to the principle of the right to strike, the right to lock out workers, and the right to replace workers with so-called scab labour, or the opposite of that, the right to implement legislation that would ban the hiring of replacement workers.

The strike and the lockout are effective tools in the labour and management arsenal. They have been using these for a long time to bring about a resolution. Usually the side with the deepest pockets and the strongest resolve to win will force resolution in their favour. We respect this mechanism. If that is the approach that labour and management want to take, we respect it. It is not

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a mature approach, but we live in a free country and that should certainly be considered.

In the case of the west coast ports, however, labour disputes are unique for a couple of reasons. One is that the federal government does not allow labour and management to actually carry the resolution process to the point where there is a disruption and it gets into a replacement labour situation or the banning of it. It passes back to work legislation as part of that. That has taught us that there is an innocent third party that is damaged economically. For that reason, there has been great pressure to find a better way to resolve management and labour disputes than through strike or lockout actions and subsequently through the use of scab labour or the banning of that same labour.

We have suggested that what has been working and has even been legislated by the House is the use of final offer selection arbitration. I would be more encouraged if my colleague had brought forward legislation that would take us from sandbox diplomacy with regard to labour relations and move it to a more mature ground, such as that of the final offer selection arbitration process.

The cost of the west coast ports disruption is in the hundreds of millions of dollars. The direct cost of the 1994 dispute was over \$125 million. The indirect cost in the loss of future contracts was over \$250 million. According to the Minister of Human Resources Development, the threatened grain sales could amount to \$500 million.

Having outlined these problems, we did not leave the people in the lurch. We decided we had to do something constructive about this. We suggested the final offer selection process. It is a tried and true process. It is not a brand new idea. In fact, the process has been legislated in this House.

(1900)

Perhaps it could have an expanded role beyond some of the essential services, such as west coast ports and national railways. It could be accepted by labour and management more readily, rather than going the route of replacement workers or a ban on replacement workers.

This is how final offer selection arbitration works. If, and only if, the union and the employer cannot make an agreement by the conclusion of the previous contract, the following measures are immediately put into place without work disruption. If there is no work disruption that means there are no replacement workers and that step has been precluded altogether.

The union and the employer are requested to provide the name of a person they would jointly recommend as an arbiter. The union and the employer are required to submit to the arbiter a list of matters agreed on and a list of matters still under dispute. For the disputed issues, each party is required to submit final offer

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

This is the direction in which we believe labour and management relations should be going. It is the way to more maturely settle management-labour disputes. It precludes having to use replacement labour or banning replacement labour altogether. It prevents work disruptions. It prevents loss of pay for the workers. The collective bargaining process is still in place. It is still allowed to take its full course. The parties are brought together to resolve their disputes more quickly, more fairly, more equitably and more harmoniously.

I would ask the hon. member to consider when he brings future legislation to the House this as a third option which might be superior to others that have been considered.

[*Translation*]

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I would like to say a few words on Bill C-317 introduced by the hon. member for Manicouagan.

This bill proposes to amend the Canada Labour Code and the Public Service Staff Relations Act.

The purpose of this bill is, first, to prohibit the hiring of persons to replace employees of an employer under the Canada Labour Code or of the public service who are on strike or locked out and, second, to ensure that essential services are maintained in the event of a strike or lockout in a crown corporation or in the public service.

Although this bill proposes to amend the Canada Labour Code as well as the Public Service Staff Relations Act, I will deal only with the amendments to the Canada Labour Code.

Furthermore, I want to examine two aspects of staff relations I find significant: the use of replacement workers and the maintenance of essential services in the event of a strike or lockout.

It is not the first time that such issues have been raised in the House. Politicians must have raised them often. The spokesmen for employers and unions expressed their views quite forcefully. And industrial relations experts from our universities have tried to explain to us the consequences of our decisions in this area.

The problems concerning the use of replacement workers and essential services are not easy to solve because what is involved is people's livelihoods and rights, as well as society's legitimate expectations. We are asked, as members of Parliament, to decide if restricting the rights of one group is in the public interest. We are also asked to strike a balance between the rights of employers and those of employees. Whatever legislative action we take,

one group will feel that it is being wronged, that its rights are being denied.

Therefore, it is essential not to make hasty decisions on these issues. As I said, members have raised them often. It is all to their credit that they did not act impulsively and incoherently. I believe, however, that this bill's time has not yet come.

(1905)

As the hon. member probably knows, the government has undertaken a complete review of part I of the Canada Labour Code. That part defines the framework for industrial relations and sets the rules for collective bargaining in federally regulated industries.

It applies to areas like rail and road transportation, pipelines, air and sea transportation, longshoring, grain handling, banking and broadcasting, as far as they concern interprovincial or international activities. Some crown corporations, like Canada Post, are also subject to the code.

For more than 20 years, the Canada Labour Code provisions on labour relations have not been reviewed. However, the collective bargaining process has changed tremendously during that time. Due to globalization, deregulation, technological change, and work environment restructuring, many requirements must now be met.

The government is holding major consultations with management and labour organizations, as well as with academics. Many concerned citizens have written to give their opinion on labour relations.

The task force examining part I of the Code must report to the minister by December 15, 1995. Certain complex and difficult aspects have been looked at already, particularly the use of replacement workers in legal work stoppages and the question of essential services. These are highly volatile issues, particularly the issue of replacement workers.

At the present time, the Canada Labour Code does not forbid the use of replacement workers but it does offer some measure of protection to workers on strike. The employer may not take disciplinary measures against an employee who takes part in a legal work stoppage or who refuses to perform the duties of another employee who is taking part in a legal work stoppage.

As well, according to Canada Labour Relations Board regulations, employees are entitled to resume their positions after the strike is over and to have priority over any other person who has been hired to replace them. In the United States, there is no measure of protection against hiring replacement workers. Employers are in fact even permitted to hire permanent replacement workers, although President Clinton is working to put a stop to this practice.

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Here in Canada, several provinces have passed legislation to limit the use of replacement workers in legal strikes. Those who favour a measure to prohibit the use of replacement workers feel that, when collective bargaining breaks down, the parties will be motivated to reach compromises by the economic difficulties they face.

However, when an employer continues to operate his business during a strike through the use of replacement workers, he loses the motivation to bargain. Work stoppages last longer, and tension on the picket lines increases.

Some claim that, in Quebec, where the use of replacement workers has been banned since 1978, violence on the picket line has dropped. Others say that using replacement workers poisons labour relations and discourages employees from joining the union; they know they can be easily replaced during a strike, and consequently they doubt that belonging to a union would be of any use. This is especially true of companies using untrained low paid workers.

To those who say that banning the use of replacement workers would tip the scale in favour of workers, unionists and the like reply that globalization is already tipping the scale in favour of employers. Those who do not support banning the use of replacement workers say that it could discourage new investments and drive some companies to the United States where there is no law to this effect.

Those who oppose such legislation also maintain that most businesses under federal jurisdiction are infrastructure industries. Therefore, if these businesses have to stop all operations because they cannot hire replacement workers, the whole economy will suffer and we will have to use back to work legislation more often.

To those who say that the banning of replacement workers would reduce tension and violence on picket lines, those who oppose the banning reply that labour legislation is not the appropriate tool for solving this problem. They think that the government should turn its attention to those who commit these acts of violence.

This is obviously a very difficult problem, and it will not be easy to reconcile the two sides. It is therefore absolutely essential to continue to talk, to consult each other, to do research, to discuss and to think.

The comprehensive review of the code undertaken by the government should be allowed to continue before amendments can be submitted to the House for approval.

The issue of essential services is also very complex. Coming up with an exact definition of essential services is no small task. In his bill, our colleague seems to establish a direct link between essential services and services provided by crown corporations. Consequently, crown corporations would be covered by pro-

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visions governing essential services, while private companies offering the same services would not.

To conclude, I would just like to remind the House that a thorough review of the code has been undertaken by the federal government and that the two points raised by our colleague will be considered as part of this review. It would therefore be premature to adopt such a bill while the code is under review.

Given the complexity and importance of the points raised, it would be wise to wait until this review has been completed.

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

[*English*]

It being 7.13 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24.

(The House adjourned at 7.13 p.m.)

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