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(HANSARD)

Wednesday, October 18, 1995

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, October 18, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

MINING

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, as the member of Parliament for Prince Albert—Churchill River and the chair of the House of Commons Standing Committee on Natural Resources, I extend my congratulations to the citizens and town council of Creighton, Saskatchewan today. They have passed an important resolution supporting the Keep Mining in Canada campaign and the industry's 10-point plan to create a healthy investment climate for mining in Canada.

Creighton is the 132nd community across Canada to adopt such a resolution to demonstrate its support for a continued, thriving mining industry in Canada. The health of these 132 local economies depends significantly on the health of the mining sector.

The 132 resolutions show that these towns care deeply about the future of the mining industry and I for one applaud the town of Creighton and all Canadians who care about working together to ensure a healthy mining sector.

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[*Translation*]

MINING INDUSTRY

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, the Keep Mining in Canada campaign is moving today to Ottawa. I would like to salute the presence among us of mining industry representatives who have come to see the government in action. Or rather, I should say, in inaction.

The Liberal government had promised to streamline the regulatory maze facing the mining industry. Nothing has been done. The Liberals were committed to improving the flow through share system, but nothing has been done in that area either.

Despite the federal government's inaction, Toronto-based Falconbridge recently announced that \$500 million would be invested in Northern Quebec, which will create hundreds of jobs.

The proposed investment shows that the prospect of a yes vote does not scare investors from the rest of Canada. Better yet, it demonstrates the potential and vitality of the mining sector in Quebec.

Just imagine how this sector will grow once Quebec becomes sovereign.

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[*English*]

THE LATE ERIC REILLY

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, this past Monday I was saddened to learn of the death of a great Canadian and a constituent of Okanagan—Similkameen—Merritt.

Eric Reilly knew this country well. He was politically wise and his efforts are well known in my riding as a Reform pioneer, an organizer, a man who introduced scores of new members to the Reform Party of Canada. He did this for the love of his country and for the future of his children, his grandchildren and their children.

Eric was a fourth generation Canadian born in Dauphin, Manitoba 82 years ago. He passed away peacefully on October 16, 1995. Eric Reilly is survived by his loving wife of over 50 years, Nora, four children and eight grandchildren.

During the last months of Eric's life he wrote his autobiography *The Life of Reilly*, tracing his early years. But his greatest memories were of his family. He wrote:

The only thing you have left, regardless of how much money you have accumulated, is your family. I will be leaving a fortune.

To Nora Reilly and the family the House offers our sincerest condolences.

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LIBRARIES

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, local libraries across the country will suffer if the proposed privatization of the Canada Communication Group is put in place by the government. Libraries are concerned that the depository program operated by the Canada Communication Group may be in danger.

S. O. 31

Relaying government information to the general public has always been a part of the public library's mandate. The partnership between government information services and the public library system has been successful in place for over 100 years. It would be most unfortunate if communications between the government and the people of Canada should be endangered.

With the privatization of CCG, government documents will become expensive and difficult to obtain.

For the sake of providing information to Canadians, I ask the government to consider retaining the publishing function of CCG while giving up the responsibility for printing.

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MINING

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, today I rise to pay tribute to the Canadian mining industry. Canada is the third largest mining nation in the world and the world's largest producer of uranium, zinc and potash. Almost 80 per cent of Canada's mineral production is exported.

Mining is the mainstay of employment in over 115 communities in Canada. For every 10 jobs created in the mining industry, 8 more jobs are indirectly created. For every dollar spent on mining research and development, there is a \$3 benefit to the Canadian economy.

Over the past two years the demand for nickel has jumped 20 per cent. Fortunately Canadians have the resource, the workforce and the expertise to meet this anticipated demand.

It is for these reasons that we must work together in a co-operative spirit to foster an environment in which the mining industry may continue to flourish in this great country of ours.

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QUEBEC REFERENDUM

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, Canada is consistently rated as one of the best nations in the world in which to live. The United Nations ranked us number one twice in the last three years. A recent private sector ranking of cities around the world ranked four Canadian cities in the top twelve.

All around the globe are people who yearn for the rights and freedoms, not to mention the peace and personal security, we enjoy as Canadians. We are incredibly fortunate to live in a country founded on the principles of freedom and democracy.

As an immigrant to this great country I find it hard to believe anyone, let alone descendants of the first Fathers of Confederation, would ever consider leaving it.

Quebecers should take a good hard look at the state of other countries around the world before they decide to separate from this one.

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[Translation]

FRANCO-ONTARIANS

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I had the opportunity to attend the annual convention of the Association canadienne-française de l'Ontario (Rive-nord) and the 20th anniversary of "L'étoile d'or" seniors' club in Elliott Lake.

• (1405)

As always, the members, volunteers and directors did a good job of representing the Franco-Ontarians in our region. As always, they have shown that the French fact is still very strong throughout Northern Ontario because the francophones in our region have great love and esteem for the distinctive features and wealth of their culture and heritage.

There is no need for Quebec to leave Canada in order to preserve the French culture. To the contrary, we believe that the French culture will have a better chance of surviving in a united Canada, as my friends from the ACFO and the seniors' club have demonstrated.

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REFERENDUM CAMPAIGN

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, the Minister of Finance contends that all the evils in the world will befall a sovereign Quebec and one million jobs will be lost.

We will recall that the minister himself, along with his present government colleagues, opposed the free trade agreement with the United States because, as reported in the June 21, 1988 *Hansard*, it would have "—a negative impact on many industries and communities and because it will jeopardize the Canadian economic and social structure as well as Canada's political independence".

In fact, as we know, the FTA created thousands of jobs in Canada and gave a tremendous boost to our exports.

The no side, and the Liberal Party of Canada in particular, have always used fear as an argument against progress. On October 30, Quebecers will oppose them by saying yes to sovereignty.

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[English]

GOVERNMENT CONTRACTS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, this morning's headline reads: "Probe into contracts given to bureaucrat's relatives miffs Dingwall". Apparently the minister is unhappy with the lack of action taken against bureaucrats who were caught giving government work to friends and relatives.

The minister should know how internal probes feel by now. This summer he asked his employees to clear him of charges of steering lucrative contracts to a campaign contributor who just happened to be the golfing buddy of the Prime Minister.

The internal whitewash declared the minister clean even though a letter from the minister's office blatantly directed a government agency to do business with this sole bidder and then asked the agency to confirm progress.

We know how internal probes feel. Take two aspirins and call the ethics counsellor in the morning. We know how that feels too. It is not very satisfying over here.

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BILL S-9

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, do we as members of Parliament and does the public generally have any idea what Bill S-9 is all about?

At a time when funding for Canadian colleges, universities and institutes is being reduced through cuts in transfer payments, the House is about to pass legislation today that will see Canadian taxpayers funding United States universities and colleges.

Yes, Canadian taxpayers will be able to support American colleges and universities. Bill S-9 will enable Canadians to donate funds to any college or university in the United States and then be able to deduct these contributions on their tax returns. Canadians will now be able to donate money to Harvard, Stanford, UCLA or Eastern Arkansas State College and then deduct these contributions on their Canadian tax returns.

Why are Canadians being asked to subsidize U.S. colleges and universities at the same time when support for Canadian post-secondary institutions are being seriously underfunded?

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[Translation]

FRANCOPHONE COMMUNITIES

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I was very impressed by an ad placed by the francophone community of Alberta in the Wednesday edition of *Le Soleil* two weeks ago.

What it said reflected the concerns of French speaking communities across Canada. Canada is recognized around the world as a bilingual country where both English and French are spoken. The future of the French language in Canada would be seriously threatened in a divided country. It is obvious.

S. O. 31

Francophones were among the founders of cities like Moncton, Winnipeg, Regina and Edmonton. The voyageurs who discovered new territories and the settlers who farmed this new land are but a few examples of this. We must not break the ties between Quebec and francophone communities in the other Canadian provinces. Together, we are stronger, much stronger.

I will conclude by quoting the French Canadian Association of Alberta and saying, on behalf of all francophone communities in Canada, that the French language has a place in Canada, and so does Quebec.

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REFERENDUM CAMPAIGN

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, the yes side has a real problem refraining from excluding various groups when it discusses who is a true Quebecer and who is not.

• (1410)

The recent controversial comments made by the Bloc Quebecois leader concerning the low birth rate among whites were echoed once again in the separatist camp.

Mr. Emmanuel Marcotte, president of the yes committee for the Outaouais region, said: "It is a fact, it is a white race. I mean it is a fact. Let us call a spade a spade. We are white people. We are not yellow and we are not green. We are white. You do not like the word race, but that is the truth".

These comments follow a long series of discriminatory and racist statements made by the yes side. On October 30, Quebec will say no to intolerance and to exclusion.

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FRANCOPHONES OUTSIDE QUEBEC

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, according to the Bloc Quebecois, French speaking people outside Quebec are all condemned to assimilation unless Quebec separates.

That reasoning is all the more insulting because it is unsound. Today, there are seven million French speaking people in Canada, out of a total population of 27 million, which means about 25 per cent of all Canadians. Should the yes side win, there would be one million French speaking people in Canada out of a total population of 20 million, or five per cent of Canadians.

Separatists are prepared to jeopardize the remarkable progress that we have made over the last 30 years to protect and promote French in Canada. Separation would result in the worst geopolitical setback for French in North America since 1759.

French speaking people from all regions of the country, including Quebec, know very well that there is strength in numbers and that a French speaking community which comprises Quebec is the best guarantee that French will blossom in this country.

*Oral Questions***QUEBEC ECONOMY**

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, yesterday in his speech to Quebec industrial commissioners the Minister of Finance for Canada predicted apocalyptically that sovereignty would jeopardize a million Quebec jobs. Finding the estimates of the leader of the no committee not catastrophic enough for his taste, the finance minister padded them by multiplying Daniel Johnson's estimates by ten.

It is worrisome and unacceptable to see such irresponsible statements made by the person who manages the enormous federal debt. We hope that the minister does not use equally farfetched estimates for his economic and budget forecasts, something one might well wonder about since the Minister of Finance has deferred his economic and budget statement until after the referendum.

What is he afraid of? Is he afraid to report to Quebecers now on his administration?

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*[English]***MINING**

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, representatives of the mining industry and mining communities are in Ottawa as part of their Keep Mining in Canada campaign. I bid them welcome.

Although mining contributes greatly to the economy, the sad fact is that today the Canadian mining industry is in serious trouble. Domestic mining exploration expenditures for 1992 valued at \$385 million were at their lowest levels since 1967. Even with the improvements in the past two years they are still only expected to reach \$675 million this year, well below the \$800 million level generally regarded as the threshold required to maintain reserves.

As a prospector and mining consultant, I want to assure the House that it is not easy to drive prospectors out of the bush. It has taken many years of wrong headed federal government policies to do that. Major changes must be made.

I ask my hon. colleagues to give a sympathetic ear to Keep Mining in Canada representatives, not just this week but all year round.

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*[Translation]***FRANCOPHONES OUTSIDE QUEBEC**

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, it was paradoxical, to say the least, to see the separatist member for Rimouski—Témiscouata trying to make

political gains at the expense of francophones outside Quebec, when she has missed no opportunity to run them down and attack their credibility.

March 14, on the program *Ontario 30*, she had the following to say about the Association des communautés francophones et acadienne: "To my mind, it is very clear that the federation has been bought off". The next day she told *Le Devoir*: "Our message to francophones outside Quebec is clear. Leave us alone to make our decision and mind your own business".

Quebecers have the survival of French in Canada at heart and they will not allow the separatist agenda to threaten the existence of francophone communities outside Quebec. This coming October 30, Quebec will say no to the abandonment of francophones elsewhere in Canada.

* * *

• (1415)

FRANCOPHONES OUTSIDE QUEBEC

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, yesterday certain Bloc members spoke in this House in an attempt to have us believe that francophones outside Quebec would be better protected by a sovereign Quebec. The hon. member for Rimouski—Témiscouata stated: "The status quo is untenable for the survival and development of the French fact in North America; only a sovereign Quebec can enable us to work toward this".

I feel it is appropriate to remind the official opposition, along with the hundreds of thousands of francophones outside Quebec, that one of the first decisions taken by the Parti Québécois after its election was to close Quebec's office in Edmonton. According to the PQ minister the reason for this decision was financial. On October 30, Quebecers will not abandon francophones outside Quebec, and that is why they will vote no.

ORAL QUESTION PERIOD*[Translation]***REFERENDUM CAMPAIGN**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday, in an apocalyptic speech to Quebec's industrial commissioners, the finance minister predicted one million jobs would be lost the day after a win by the yes side, thus upsetting a number of people in the audience, who obviously felt uncomfortable with these outlandish claims. The minister added that according to him, it was a conservative estimate and that it might even be more than one million.

Oral Questions

My question is directed to the Minister of Intergovernmental Affairs. Would such farfetched statements not seriously compromise the credibility of the finance minister and are they not a definite indication that panic has struck the federal side?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the finance minister was right. He said there are one million jobs in Quebec that are affected by export industries, including those that export to the rest of Canada, and that Quebec's separation would create considerable problems in this area.

What he said was perfectly true and is supported by the statistics. It is an indication of the extremely negative economic consequences of Quebec's separation.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, would the Minister of Intergovernmental Affairs not agree that his colleague in the Finance Department has gone too far by taking such an irresponsible approach, since his responsibility and first duty as finance minister is to avoid any statements that might cause a negative reaction on the financial markets?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the finance minister also has a duty to point out what would really happen if Quebec separated.

In his role as finance minister, he has an obligation to point out that separation will not only cost us hundreds of thousands of jobs, as the leader of the no committee said, but also that many jobs would be affected by changes occurring subsequent to separation, and particularly by the fact that, as the finance minister pointed out, Quebec would have to renegotiate its entry in NAFTA and the successor organization to GATT.

These are aspects that will create substantial economic problems in Quebec and, once again, the finance minister has a duty to point this out to Quebecers.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, does the Minister of Intergovernmental Affairs not realize that the finance minister's apocalyptic speech, which was actually received with some scepticism by industrial development advisers, gets us nowhere and is in fact oddly similar to the speeches they made on free trade a few years ago, and which subsequently turned out to be all wrong?

• (1420)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr.

Speaker, the supporters of the yes committee, which includes the Bloc Québécois, would have Quebecers believe that separation will take place without a hitch, without any negative economic consequences, without any impact on Quebec's relations with the rest of Canada, the United States and Mexico.

That is not true, and it is not enough to wave a magic wand and say "Poof! Let the problems vanish!" for them to vanish.

Some hon. members: Oh, oh.

Mr. Massé: The truth is that separation will create tremendous problems, it will affect investment in Quebec, jobs and exports. Whatever the Bloc and the PQ say, it is important to get the truth out and that Quebecers know on October 30 what the real consequences will be of separation.

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

In an effort to add weight to his apocalyptic speech, the Minister of Finance claimed that business in Quebec would no longer be able to export to the United States, as if a veritable great wall of China was going to be built around Quebec.

Will the minister not acknowledge that, the day after a yes vote, American and Canadian businesses will not want to lose their privileged access to Quebec markets and that this unavoidable reality makes the apocalyptic scenario of the Minister of Finance completely ridiculous?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it is obvious that there is no guarantee at all of this in the event a yes vote.

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, the Deputy Prime Minister should know that the Americans will be looking for stability in their trading with Canada and Quebec the day after a yes vote.

Does the minister not agree that nothing will better ensure the stability that the United States, and Canada as well, will be looking for than Quebec's early entry into NAFTA, as a number of American experts have already pointed out.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, only a no vote will ensure Canada's economic and commercial stability.

Today, the figures are coming out. In the month of August, Canada had an all time record volume of foreign trade.

[English]

In the month of August there was the highest ever increase in real exports from Canada to countries around the world. The best way to protect the interests of Quebecers and Canadians in selling our goods around the world is to keep Canada together.

*Oral Questions***HEALTH CARE**

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the unavoidable reality of health care financing is that federal financial support of health care is declining in absolute terms. Under this government, federal funding has fallen to 22 per cent of the overall health care bill, with \$7 billion in cuts in health care transfers projected.

The provinces are wondering, the Canadian people are wondering, how the minister expects the provinces to replace the health care transfers she is withdrawing. She says they cannot charge the patients. She is against facility fees and she does not want private capital involved.

Is the minister therefore proposing that the provinces impose additional health care taxes to replace the federal medicare funding she is withdrawing?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, perhaps I can explain to the hon. member what was contained in last February's budget. We will have a combined transfer called the Canada health and social transfer which, yes, will be cut. It includes not only health care, but many other services.

Let us look at this in the proper context. For instance, in education, social programs and health, expenditures amount to about \$100 billion in one year. Next year the cut will be in the neighbourhood of 3 per cent or slightly less. While it will be a challenge to manage this, we do believe that a less than 3 per cent cut is manageable.

• (1425)

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I know when the minister took this job they told her there would be no math, but there is.

There are only four sources of health care financing: federal transfers, patient contributions, private capital and provincial tax dollars. The minister is reducing the federal transfers. She is against the patient contributions. She is against the private capital. Therefore the only other source to replace the federal transfers is provincial tax increases.

If the minister is against all these things in reducing the transfers, will she not admit that she is in effect telling the provinces to get the additional revenue through provincial tax increases? Yes or no?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I will repeat again what has been stated by all health economists across the country: It is not more money that is needed in the system; it is a different way of spending.

What the hon. member is suggesting is the easy way out: a U.S. two-tier style system, one where the rich get the best treatment and for the rest of Canadians thank you, it is too bad.

We are challenging all Canadians to work together to embrace those values which mean that we all get the same kind of access based on need. It is first class service that we want for everyone.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Canadian Constitution assigns responsibility for health care to the provinces. The federal government only gets involved through the exercise of its spending power which is now declining. The minister is the first federal Minister of Health to preside over annual reductions in federal transfers to the provinces for health care which is resulting in closing beds, waiting lines and friction with the provinces.

Will the minister acknowledge that there are now distinct limits to the federal power over health care policy? Will she tell the House how those limits will affect her dealings with the provinces of Canada?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we continue to transfer considerable dollars to the provinces. As long as we transfer dollars to the provinces, we can ask that they respect certain principles. We say to them, yes, manage the system. We are giving them as much leeway as possible. We are very flexible but flexibility does not mean tearing up the Canada Health Act.

This government stands for something which is valuable and which all Canadians stand for. Reform Party members are the only ones who believe in tearing up the Canada Health Act.

* * *

[*Translation*]

STABILIZATION PROGRAM

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

After trying in vain for a reimbursement of \$127 million for fiscal year 1991-92 under the stabilization program, Quebec is forced to appeal to the Federal Court in order to win its claim. Unperturbed, the Minister of Intergovernmental Affairs responded cynically and arrogantly that it was perfectly normal for Quebec to apply to the courts. Are we to understand that the Minister of Intergovernmental Affairs considers it normal for Quebec to have to apply to the courts to obtain what Ottawa has owed it for the past four years? Is this what they call flexible federalism?

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, flexible federalism in recent years has worked very well through negotiations with the various provinces. Specifi-

cally, for example, thanks to our action plans with nine provinces in Canada, I have signed—and I will leave it to them to guess which province has not signed—we have reached 64 agreements with the provinces, including a dozen with Quebec, before the election of the Parti Québécois, but afterwards, zip.

• (1430)

So, in terms of negotiations, clearly we resolve most of our problems through negotiation. As for this particular problem, Ms. Beaudoin has already come and presented her problem. In our opinion, there is nothing owing, nothing to pay. The regulations are clear: the Province of Quebec, in this case, is not entitled to payment, and we have told Quebec that we were prepared to let it go to court, that we would provide whatever assistance it needed to go to court and that it should get a decision from a court of law. This is the normal process.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, does the fact there were a number of agreements before the arrival of the Parti Québécois not mean that the principal supporters of a no vote, with Mr. Johnson as a fine representative in Quebec, accepted any old thing from the federal government? This is why there were agreements. We, however, stand firm—that is the difference.

How does the minister explain Quebec's receiving only 8 per cent to date of the funds from this federal stabilization program, when Ontario has received six times as much, that is, 44 per cent?

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 should point out that the Province of Quebec has done fairly well in dealings with the federal government, because, for example, according to the study by George Mathews, one of the Le Hir studies, Quebec pays only 21 per cent of federal and other taxes, but receives 26 per cent of spending.

So, when we look at the whole picture, we see clearly that Quebec receives a much larger share for valid reasons. Stabilization payments are made when there is a shortfall. The shortfall depends on all sorts of things that have to do with economic conditions and that are therefore subject to them and not to a system of sharing or of percentages between provinces.

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[English]

HEALTH CARE

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the health minister is fond of saying health care should not depend on the size of one's wallet. What about the size of the waiting

Oral Questions

list? For a hip replacement in Manitoba it is 61 weeks; 1,200 Ontarians waiting for heart bypasses; a 44-day delay in radiation for breast cancer treatment, three times longer than the medical college says is acceptable. People are dying on these waiting lists.

When will the minister even admit there is a serious problem with the health care system and that she is causing the violation of the principle of accessibility in the Canada Health Act?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I suggest the hon. member deal directly with the provinces when it comes to waiting lists. She used two examples in her question, one respecting heart bypass surgery.

There has been an announcement I believe from Ontario that it will be shortening that list. It will be transferring more money into that area. Recently there was another announcement in Ontario of a new centre for cancer treatment which will shorten the line for breast cancer treatment.

That is what happens in a system that has everyone in it. Public pressure asks governments to transfer funds to where they are most needed. We think that is the way it has to be. That is how we have been well served in the past and that is how we should continue to be served.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, so yes, she is admitting accessibility is being violated and that these lines are getting shorter because people are going to the States, not because the health care system is getting any better.

The health minister should open her eyes and take a good look at the health care system. If she did she would see these massive reductions in hospital closures and Canadians buying American waiting list insurance to stay alive. This is ridiculous.

• (1435)

What specific action does she plan to take to reduce the waiting lists to ensure Canadians are getting the most advanced, the most effective and the most timely medical attention available?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I answered that question in my previous answer. I remind the hon. member our medicare system has received applause from around the world because it is first class.

The idea that we should move to a U.S. style two-tier system is unacceptable to every member of my caucus. All the premiers say they support the Canada Health Act. Ministers of health from across the provinces support the Canada Health Act. Medical associations, nurses associations, hospital associations and the people of Canada support the Canada Health Act. The only exception is the Reform Party.

*Oral Questions**[Translation]***CHILD CARE SERVICES**

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

It seems that it is the minister's intention to release a national child care strategy within a few weeks. Here again, this is a reform that is ready but will not be made public until after the referendum.

Are we to understand that the reason for the minister's refusal to make his strategy on child care services known before the referendum is to avoid having to confirm his intention of imposing national standards on Quebec in an area of provincial jurisdiction?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, once again the hon. member for Mercier is in a bit of a time warp in a number of respects. We have already indicated to the provinces and to other partners that we are prepared to cost share child care. We had a major meeting of deputies almost a year ago at which we offered to pay 50 per cent of the cost of new spaces.

Fortunately a very important initiative was taken up by the First Nations people. We are almost ready to conclude an agreement with the First Nations Assembly for 6,000 new child care spaces sponsored by our First Nations people. We hope to have that concluded in a couple of weeks.

Because certain provinces are now engaging in restricting child care, I simply wrote to the Ontario minister to remind him the federal government is willing to be a partner in sharing the cost of child care so these spaces do not have to be closed.

I hope the hon. member will help carry that message because child care is very important to many Canadians.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the minister is quick with his irony, but he has not answered the question.

Is he committed to not making Quebec's compliance with federal standards a condition for funding of child care services?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we made it very clear that we are prepared to provide cost sharing over a five-year period and that it is the jurisdiction of the provinces to decide how that money

would be allocated. I am simply waiting for a response. I am not trying to be quick witted but it takes effort when dealing with Bloc questions.

The provinces make these decisions. I want to ensure we can provide, as we do in many other areas, a national response so we can share and pool our resources to ensure areas with fewer resources are considered. That is why I took some interest today in the minister of employment in Quebec when she talked about totally fragmenting the national unemployment insurance service for Quebecers. It would put at risk thousands upon thousands of Quebec workers who would no longer have access to a national unemployment insurance program.

* * *

● (1440)

HEALTH CARE

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the health minister does not want U.S. style health care and that is good; neither do we. However, we want what Canadians want, choice in health care as in Sweden, Denmark, England and many other countries. Those countries all respect choice.

Why will the health minister not offer Canadians choice beyond medicare?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, Canadians have the best choice of any country in the world. They get the best services no matter who they are, no matter where they live, whether or not they have money.

It is determined by the degree or the severity of their needs. That is the way it should be. That is the way Canadians want it.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, there are only three countries in the world that do not offer choice beyond medicare: North Korea, Cuba and now Canada, thanks to the health minister.

Will the minister listen to the appeal of Canadians for choices beyond cutbacks, for choices beyond waiting lists, for choices beyond line up, shut up and check out?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the hon. member exaggerates when he tries to compare us with Cuba and such countries when we have the best medicare system in the world.

The hon. member would like us to give people a choice. Is it something like the choice to buy a box seat at the SkyDome? Having an illness is not like going to a baseball game.

We believe we need the best for people as they need it, and the very best is what we have had in Canada. We will continue to support that.

Oral Questions

[Translation]

MILK INDUSTRY

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the minister of Agriculture.

According to an unsigned study referred to by the chairman of the no committee Daniel Johnson, Quebec would lose no less than a third of its 11,000 dairy farms by voting yes. This doomsday scenario was immediately denied by Claude Lafleur, director of the Union des producteurs agricoles and labelled by him as “catastrophist, extremist and improbable”.

Will the minister admit that it is in the interest of producers and the milk processing industry to reach an agreement with Quebec in order to preserve the system of supply management, particularly as protection against American competition, as all those involved in this sector are aware?

[English]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the remarks made yesterday by Mr. Johnson and Mr. Vallières in Quebec with respect to the earlier studies issued by Minister Le Hir were very solid and very credible criticism of Mr. Le Hir’s reports which were a total distortion of the true picture.

This criticism has come not only from Mr. Johnson and Mr. Vallières. It has come from several prominent Quebec university professors. It has come from U.S. trade policy experts like Mr. Chip Roh and it has come most recently, quoted in today’s *La Presse*, from Mr. Yvon Proulx, the chief economist of the UPA.

• (1445)

[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the minister should read the magazine *L’Actualité* because that information comes from an unsigned Quebec Liberal party document. The authors are even ashamed to acknowledge that they wrote it—that is Liberals for you.

An hon. member: Get some information.

Mr. Bellehumeur: This is disinformation.

Does the minister acknowledge that Canada will negotiate to preserve the supply management system, for if the laws of the marketplace were to apply we Quebecers would come out on top because we in Quebec have the production and the most profitable producers—that is the truth.

[English]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, today Quebec enjoys great strength and stability in its dairy sector, with some 12,000 commercial dairy farms, \$1.3 billion in cash receipts from milk production, milk quota values in excess of \$2 billion, 20,000 jobs in rural Quebec, 83 dairy processing plants, 7,400 processing jobs in those plants, and 47 per cent of the Canadian national industrial milk quota. All that is to the advantage of Quebec because of Quebec’s participation in the Canadian supply management system.

* * *

MINING

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

The Canadian mining industry is one of the key sectors of our economy, creating over 300,000 direct jobs on which 150 communities depend.

An hon. member: Do you speak French?

[Translation]

Mr. Serré: Certainly, we are bilingual in Ontario. We speak both languages.

Could the minister indicate to the House the principal measures initiated by our government to support and promote the development of a dynamic mining industry in Canada?

[English]

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, let me reassure the hon. member that the government understands the importance of mining to the nation and to our economy. We are committed to ensuring its ongoing prosperity and sustainability.

Mr. Stinson: Then quit giving them the shaft.

Ms. McLellan: One of the interesting things, for anybody down there who would like to listen, is the fact that when we talk to the mining industry its major concern is regulatory reform.

Our government is committed to reforming regulations applicable to the mining industry. That is why my colleague, the Minister of Industry, has included the mining sector as one of only six to go through substantive accelerated regulatory reform. We are doing that so there is a prosperous mining industry all over the country, including Quebec.

* * *

HEALTH CARE

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

Oral Questions

Seventy per cent of B.C. residents are already enrolled in private insurance plans to pay for certain services, including long term and extended care. The desire of B.C. residents is choice in medicare.

Why will the minister not acknowledge the desire of B.C. residents and other Canadians in allowing for genuine medicare innovations and reforms through choice?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, Canadians have the best choice of all. Without having to worry whether or not they can afford it, they can choose which doctor and which hospital. They can choose without undue pressures and financial hardships.

• (1450)

The hon. member speaks of British Columbia. That province agreed with the federal government and was the province that moved most quickly and banned all extra billing, user charges, and facility fees by October 1 of this year.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, my supplementary question is for the same minister.

The minister is selective in what she will tolerate. Private insurance plans are tolerated, yet the minister intends to stomp out private clinics. In B.C., private cataract eye clinics have been shut down, forcing seniors to be added to unacceptably long public waiting lists.

Why is the minister discriminating against seniors while permitting other private options to continue? Why the inconsistency?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the Canada Health Act says that the provincial plans must cover medically necessary services for the residents in their provinces. That is what is happening. That is what we will ensure continues to happen.

* * *

[Translation]

QUEBEC AGRICULTURE INDUSTRY

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, my question is directed to the Minister of Agriculture.

Information provided by the federal Department of Agriculture confirms that this department has been particularly remiss in its treatment of Quebec. In 1994–95, the agri–food industry in Quebec received only 10 per cent of Agriculture Canada’s budget, although Quebec has more than 21 per cent of Canada’s agri–food industry.

Does the minister agree, as confirmed by information provided by the federal department of agriculture, that the way his

department’s expenditures are budgeted is unfair to Quebec’s agri–food industry?

[English]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): No, Mr. Speaker, I would not make that admission. One has to take into account the entire range of federal policies that apply to agriculture. In some cases those policies provide for grants and contributions, either to producers directly or to producer organizations, marketing systems, institutions and so forth.

Another very valuable form of contribution by the Government of Canada comes in the form of our regulatory system that creates Canadian supply management, and 45 per cent of Quebec agriculture falls within the jurisdiction of the Canadian supply management system, which results in billions of dollars worth of benefits to Quebec and Canadian consumers and producers.

[Translation]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, the minister talks about sectors. My point is that the federal government gives us 10 per cent, although the agri–food industry in Quebec represents 21 per cent of the entire sector.

Since the Liberals came to power, the minister has done nothing about this unfair treatment of the agri–food industry in Quebec.

Would the minister agree that closing the federal agricultural research centre in La Pocatière will merely exacerbate the current situation?

[English]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I am glad the hon. gentleman makes reference to agricultural research. If we were to apply the hard and fast formulae he just suggested to the field of agricultural research, it would result in a cutback with respect to the province of Quebec.

In fact we have 18 national centres of excellence in agricultural research and development in the country. Four of them are located in the province of Quebec, at Ste–Foy, at Saint–Jean–sur–Richelieu, at Lennoxville and at St–Hyacinthe, which is the highest number in the country.

* * *

HEALTH CARE

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, as the discussion goes back and forth with the Minister of Health, I hear her saying that Canadians get the very best choice.

Some hon. members: Hear, hear.

Oral Questions

Mr. White (Fraser Valley West): And we hear the nonsense that goes on over there along with it. That is not very comforting to the families who have lost people waiting in line for health care.

• (1455)

I would like a straightforward answer for a change from the minister. Is the Minister of Health intent on banning all private clinics in Canada? Just a yes or no, nice and simple. Can she answer?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we are intent on protecting the principles of the Canada Health Act.

The answer is yes. The answer is yes, we are going to continue to protect the Canada Health Act. Yes, yes, yes, yes.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, yes, they are banning all clinics. It is good to have an answer. It is like the answers we get from the minister of public works and the minister of culture.

Why is the minister not demanding that Quebec stop charging facility fees on privately run abortion clinics?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, let me come back again to what the letter of January 6 was all about. It concerns all provinces. We are now going into every province and we are determining what is happening in each province. That is what is happening.

If there are facility fees being charged and they are not right in any province then we will move in that direction. Many provinces have indicated that they are now negotiating or are addressing the problem as British Columbia did. That is what it is all about. It is about ensuring equitable access for everyone.

* * *

[Translation]

DAIRY INDUSTRY

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the separatists seem more interested in winning the referendum at any cost than in dealing with the real problems of Quebec farmers.

My question is directed to the Minister of Agriculture. Could he explain how being part of Canada benefits dairy farmers in Quebec?

[English]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I had the opportunity in an earlier answer to outline some very impressive statistics about how the Canadian supply management system benefits the dairy industry in the province of Quebec.

By the very fundamental definition of supply management, the domestic market of a producing country is preserved primarily for the benefit of that country's domestic producers. A separate Quebec would obviously no longer be part of the Canadian domestic market. As a result the dairy industry in Quebec could be placed in very substantial jeopardy.

The clearest, best, strongest answer for preserving all these benefits for the dairy industry in Quebec and for the dairy industry in Canada is a clear and decisive no on October 30.

* * *

[Translation]

DEPARTMENT OF JUSTICE

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, my question is directed to the Minister of Justice. Last spring, the Bloc Québécois condemned the blatantly unfair treatment of Quebec by the Department of Justice when professional and special contracts are awarded. In his reply, the minister confirmed our statements, in other words, Quebec is losing out on contracts awarded by the Department of Justice.

Today, could the Minister of Justice explain why Ontario, his own province, gets 80 per cent of the total value of his department's professional and special contracts, while businesses and individuals working under contract in Quebec get only 6 per cent?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, indeed it was last spring the hon. member put those questions. It was on that occasion that I provided the response and the response remains the same. The Department of Justice, like all departments of government, pursues a policy of open and competitive bidding for all work awarded by contract.

I can tell the hon. member that no matter how the statistics might be used for present partisan purposes, the results and the advantages of the research and the work done at the Department of Justice are shared equally by all Canadians.

* * *

• (1500)

HEALTH CARE

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I would like to come back once again to the question of waiting lists.

It was a cold Friday in January 1980 when my wife was diagnosed with breast cancer. I am very grateful that her life was spared because of the speedy surgery which a very competent surgeon recommended and performed three days after the diagnosis.

Point of Order

My wife now counsels and consoles women in the same situation. They are waiting in line while the government is funding boxes in domes with its infrastructure program. What is the government going to do about that? What should my wife tell these women who are waiting in line while their lives are being threatened?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the hon. member's wife was well treated when she became ill, thanks to Canada's good medicare system.

Yes, there are challenges and they are not always easy to meet. However, we do not meet them by ripping up something that is very good. They are met by working at protecting the very values which have served Canadians so well.

It is very important that all Canadians continue to have access to the services they need, not just because they can afford to pay extra for them, but because they need them. We have to work very closely with provincial governments, which we are doing. We are going to continue to do that.

It is a question of equity and good access, not of having some get ahead in the line because they can pay more. That is not what is fair. Think of the 38 million Americans who have no insurance at all. What kind of lines are they in?

* * *

PHARMACEUTICALS

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

Prescription drugs represent 17 per cent of the total cost of health care in the country. 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 but seem to support in government.

The government can save Canadians nearly \$1 billion yearly, simply by doing one thing: repealing Bill C-91 or, at the very least, abolishing the automatic injunction clause of the patented medicines regulations.

Why will the government not stop the pharmaceutical drug manufacturers from ripping off Canadians with usury pricing of prescription drugs?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, first let me help the hon. member with some of his statistics because I think he would want to get them right.

First, 15.1 per cent of national health expenditures in the last year for which we have full statistics were for pharmaceuticals. Patented drugs only account for 40 per cent of the pharmaceuticals purchased in those expenditures. In addition, with respect to patented medicines, and this is determined by an independent board, the price increase from 1987 to 1994 was 2.1 per cent per year.

If the hon. member begins to take those statistics into account he might phrase his question a little differently. As he knows, and I have assured the House several times, we are reviewing Canada's drug patent policy. In addition, under Bill C-91 there is a parliamentary review process that will be invoked in 1997.

* * *

[*Translation*]

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I rise on a point of order. I am happy to note that the hon. member for Roberval is here while I raise this issue.

During question period, my colleague, the hon. member for Timiskaming—French River decided to put a question to a government minister. He chose to do so in English, which is obviously his second language. While he was on his feet, a heckler on the other side of the House asked the hon. member: "Can't you speak French?"

• (1505)

[*English*]

The Speaker: All the more reason that we have to be ever vigilant in the words we use in the House of Commons. I did not hear the statement. Of course this is not a point of order but I am sure the point made by the government whip has been taken.

AUDITOR GENERAL'S REPORT

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I rise on a point of order concerning the auditor general's report tabled on October 5, 1995 and referred to the Standing Committee on Public Accounts.

I contend that the tabling and referral to the committee of this report is out of order because the report in question contravenes the Auditor General Act and the conventions and prerogatives of the House.

I draw attention to section 5 of the Auditor General Act which defines the position as the "auditor of the accounts of Canada" and section 7(2) which sets out the parameters of the auditor general's reports. This paragraph empowers the auditor general to report that the records of the public accounts were faithfully kept, that expenditures have been made only as authorized by Parliament and with due regard for efficiency, and that due measures are taken to measure the effectiveness of programs.

In his latest report the auditor general has clearly overstepped the legal and customary boundaries of his duties as a servant of the House and in my judgment has interfered with the rights of the House by making politically biased statements. Let me illustrate this claim with some direct quotations from the auditor general's report in question.

In paragraph 9.84 the report states: “We think that Parliament and the public need to focus on debt issues, particularly the amount of debt we carry”. The auditor general exists to help Parliament hold the government to account and not to hold Parliament to account for failing to adopt a particular policy. No company of shareholders in the private sector would accept an auditor’s report that expressed an opinion about how the shareholders conducted themselves at meetings, rather than help the shareholders assess the management of the company. I contend that neither can we in the House.

The auditor general further infringes on the rights of the House when he writes in paragraph 9.107 concerning the level of public debt:

Determining a strategy to achieve that vision is something the government and Parliament need to debate and develop a consensus on.

I do not need to remind you, Mr. Speaker, that the House does not necessarily exist to create a consensus around a particular economic theory. There are different and differing political theories and different political stances in the House. Therefore I contend that the House exists to hold the government of the day accountable in a way that reflects the diversity of political opinion in the country and that this is not recognized in the auditor general’s report.

The duty of the auditor general as set out in law is to aid Parliament in that task by providing technical information about the state of the public accounts to assist members of the House in their debates. It is not to preach to Parliament about what the conclusion of that debate should be.

The same criticism can be applied to paragraph 9.52 of the report which states:

The reality is that (interest rates) are not lower, and had it been a simple matter of making them lower in the 1980s and 1990s as they were in the previous 20 years, governments would have undoubtedly done so.

I would happily debate this point with anybody in the House, for it is common knowledge that the Bank of Canada under John Crow deliberately chose to dramatically increase interest rates in quest of a zero inflation rate.

My procedural point is that I cannot argue this point with the auditor general because this statement comes in the form of an ex cathedra pronouncement of an auditor who is presumed to provide objective assessments of the public accounts. Yet I can think of no principle of accounting that would allow an auditor to offer such a tendentious historical verdict on the motives of past governments, a verdict which supports a particular political position on what caused our fiscal problems and what should be done about them.

Point of Order

Because the auditor general like yourself, Mr. Speaker, is a servant of Parliament, he should not use the authority of his position to advance political arguments as if they were untested accounting principles. His reports must demonstrate the highest degree of political neutrality. He cannot perform the role of auditor as set out clearly in the Auditor General Act if he uses his position to take sides in debates that properly take place in the House. The auditor general has therefore overstepped his legal and customary duties in his latest report.

• (1510)

I ask you, Mr. Speaker, to consider two measures to defend the rights of the House to have access to an objective auditing of the public accounts. First, I ask you to rule the tabling of the October 5 report to be out of order and to have you ask that the auditor general submit an amended report that conforms to his duties as set out in the Auditor General Act. Second, I ask you to refer the matter of the terms of reference for auditor general’s reports to the Standing Committee on Procedure and House Affairs.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I was not given prior notice of this point of order.

It strikes me as a rather serious challenge by the hon. member that the auditor general should not be independent of government, not be independent of the opinions of the House when he studies the efficiency of the government and the spending of government. Certainly if the auditor general does not have the independence to make suggestions on whether or not governments have acted prudently, we have stripped him of his power and we have stripped him of his reason for being. Therefore I disagree with the hon. member. I think his argument is very weak and should not even be considered in the House.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member for Winnipeg Transcona has argued with his usual erudition but I submit that even in his wildest dreams he could not have imagined that the point he has raised is really a question of privilege.

I refer Your Honour to—

Mr. Blaikie: A point of order, I said.

Mr. Milliken: A point of order. I thought he said it breached the privileges of the House, Mr. Speaker, and that he wanted it ruled out of order because it breached the privileges of the House, because it interfered with our privilege to manage our financial affairs, the financial affairs of the country.

I turn to citation 24 of Beauchesne’s sixth edition where it states:

Privilege

Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions.

I submit that in the tabling of this report there has been no impedance with members' functions or their ability to discharge their functions. We have here a situation where the hon. member disagrees with some of the contents of the report. I have no doubt the government disagrees with some of the contents of the report as well. I suspect if I read it all as thoroughly as the hon. member obviously has I would probably disagree with parts of the report.

However the place for him to take his complaints is not to the House to have the report ruled out of order. The auditor general has a right to submit his opinions to the House. He is an officer of the House and that is his duty. Surely the hon. member should go to the public accounts committee and complain about the report if he disagrees with it. Then the public accounts committee would report to the House saying it disagrees with the auditor general's report if the committee agrees. Surely that is where this complaint ought to go.

The hon. member has not raised a point of order or a question of privilege in my submission. He has raised what I can only suggest is a complaint. He disagrees with the report, fine. He should go to the committee and express his disagreement. That is what the committee is for. That is why it has been referred there.

The Speaker: I think a very important point has been raised today. I take under advisement the opinions of the member for Kindersley—Lloydminster and the member for Kingston and the Islands.

I would like to look at this a bit more closely in view of what has been said today and I would like to more inform myself of the particulars. I will reserve a decision on this point and get back to the House when and if it is needed.

Is this on the same point of order? I do not want to get into a debate going back and forth.

Mr. Blaikie: Mr. Speaker, first of all I want to apologize to my colleagues for not having given more notice and for that matter any notice. I would hope that some of the comments that have been made might change when people have an opportunity to think about it.

The very fact the member gets up and says that I disagree with something in the report is the point I am trying to make. The report should be of such a factual nature that there is nothing in it to disagree with. It should be a report on various facts of a technical nature. The fact that I can find something to agree with or somebody else can find something to disagree with is the point I am trying to make about the report.

Nobody elects the auditor general to make these kinds of judgments. I think we have a situation here that—

• (1515)

The Speaker: I appreciate the member's intervention. I am sure he will agree with other members of the House and with me when I say that I would like to reserve my decision on this matter. I would like to inform myself a little more and get back to the House.

I have a point of privilege from the hon. member for Madawaska—Victoria. Does this point of privilege arise from the question period today?

Mrs. Ringuette—Maltais: Yes.

* * *

[Translation]

PRIVILEGE

ORAL QUESTION PERIOD

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, my question of privilege is in regard to comments that were made during today's oral question period.

When my colleague from Timiskaming—French River asked his question, part of it was in English and part of it in French. As he was starting to formulate his question, we heard the Bloc member for Roberval's comments. This is a question of privilege, Mr. Speaker, and I want to thank you for hearing me out. We heard the hon. member for Roberval shout in this House to the hon. member for Timiskaming—French River: "In French, please. In French".

My question of privilege is as follows: Canada has the charter of rights and freedoms and the Official Languages Act.

The Speaker: One moment, please.

A point of order was raised today but I ruled that it was not a point of order.

[English]

I have ruled on that. I was waiting for the hon. member to get to the point of privilege. It would seem to me at least at this point that we are engaging in debate on a decision I have already taken about a point of order.

To this point at least I have not heard any argument that would deem this to be a point of privilege.

Some hon. members: Oh, oh.

The Speaker: Exchanges take place in the House throughout question period, indeed throughout debate.

I did not hear the statement that was alleged to have been made. Surely we have to be able to tolerate a certain amount of give and take in the House. This is the point I would like to impress on the House. There are going to be times when words may or may not have been used that hon. members say they heard. In my view this is not a point of privilege.

Privilege is about what would impede a person from speaking, from voting, from coming to the House. It was raised as a point of order and I ruled on this as a point of order.

In my view this is the same point and I would like the matter to rest there.

[Translation]

Mr. Gauthier: Mr. Speaker—

The Speaker: You have the floor.

Mr. Gauthier: We will check up on what was said—

The Speaker: Order, please.

Dear colleague, this is neither a point of order nor a question of privilege, and I would like to leave it at this.

Mr. Gauthier: May I ask a question, please?

The Speaker: I am prepared to hear you on another point of order, but not on this one. I recognize the hon. member for Roberval.

Mr. Gauthier: I rise on a point of order to ask you, Mr. Speaker, since you are here to provide guidance, how, according to standard procedure, I should go about setting the record straight when a member puts words in my mouth that I never said.

I would like to know what to do, so that I can then raise my point of order, Mr. Speaker.

• (1520)

The Speaker: Dear colleague, normally, what would happen is that you would simply rise on a point of order and state that you did not say any such thing. At any rate, I do not want to embark on a long discussion on this matter. So, if you wish to go on record in *Hansard*, I will allow that, but nothing more.

Mr. Gauthier: Very well, Mr. Speaker, because I respect your decision, and it is truly for that reason that I will comply. For the record, I would just like to say that the words the hon. member for Madawaska—Victoria ascribed to me are incorrect. I never said that, plain and simple.

[English]

The Speaker: We are entering debate and we do not want to go down that road. I have made a ruling. The hon. member wanted clarification. I told him how he could do this. I permitted him to make the one statement which he made. It is on the record and it is clear. I ruled on a point of order earlier and, colleagues, I wish you would accept that point of order.

I have ruled on the point of privilege by saying that it was not a point of privilege. I wish you would accept that. I would like to let this matter rest now where it is.

Routine Proceedings

ROUTINE PROCEEDINGS

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[English]

NATIONAL CO-OPERATIVE WEEK

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, in my capacity as federal minister responsible for co-operatives, I wish to take the opportunity today to recognize and salute National Co-Operative Week and International Credit Union Day in Canada.

Since pioneer times Canadians have found it beneficial to work together toward common goals. The co-operative movement springs from that community effort and involvement.

An important part of our economy, co-ops provide over 133,000 jobs and represent more than \$140 billion in assets. Non-financial co-operatives have a volume of business of \$20.7 billion. Together, caisses populaires and credit unions represent the fifth largest financial network in Canada.

[Translation]

This year is important for the international co-operative movement, as it marks the 100th anniversary of the International Co-operative Alliance. The ICA represents more than 753 million members from 90 countries. The conference held in Manchester in September was a major event for the international co-operative movement. Revised co-operation principles were adopted that will propel co-ops into the 21st century. In this respect, I think that it would be proper to pay special tribute to Ian MacPherson, from British Columbia, who spearheaded the process.

• (1525)

[English]

Co-operatives are an effective way of providing a wide range of goods and services to their members and to consumers. While many co-operatives operate in urban centres, they have been especially effective in developing businesses and creating employment in rural areas and small communities.

Through co-operation, many Canadians have established new businesses and expanded into new or unique ventures. For example, the Seaway Valley Farmers Energy Co-operative in eastern Ontario will produce ethanol from locally grown grains.

Routine Proceedings

Involvement in co-operatives has helped many thousands of individuals learn new business and management skills. This not only helps them to manage their co-operatives but also gives them the skills to better manage their own enterprises and allows them to grow and expand.

[Translation]

I want to mention how committed our young people are to the co-operative approach. Students have started co-ops in their schools to provide services in areas such as savings, housing, school supplies and computing science and, in some instances, to create summer jobs for themselves.

[English]

I urge all members, in our deliberations today and on every other occasion, to consider the potential of co-operation as a tool to help the country to continue to be a nation that is innovative, dynamic and proud of its accomplishments.

From my home province of Saskatchewan in the west where our people demonstrate a high level of participation in co-operative organizations to Quebec, which also enjoys a high level of co-operative activity, the co-op movement is one very important bond of strength and unity.

I congratulate the Canadian co-operative movement on its achievements and wish it much success in the years to come.

[Translation]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, it is with great respect for all those who have contributed to the development of co-operatives that I want to emphasize the importance of National Co-Operative Week and of International Credit Union Day.

The co-op movement reflects the values of mutual help and solidarity which are dear to Quebecers and Canadians. In many regions, the co-op movement provided the solution to ensure an harmonious development geared to the needs of the local community. Agricultural co-operatives were among the first to support the economic development of our regions. They provided an efficient and economical tool to ensure that the required services were available for agricultural production. Co-operatives have played, and continue to play, an important role in job creation. They provide over 133,000 jobs to Canadians and Quebecers.

The co-op system has fully shown its usefulness. It is an important component of Quebec's economy. Just think of the strength of the Caisses populaires Desjardins and of the dairy co-operatives. The co-op movement is based on a local community taking charge; by pooling its resources and working as a team, it can be very successful.

This year marks the one hundredth anniversary of the International Co-operative Alliance. It is an opportunity to reflect on the fact that, for decades now, people all over the world have believed in the virtues of the co-op movement and have worked hard to make these known to others.

I congratulate these people, I encourage them to keep up the good work, and I wish them the best of success in their future endeavours.

[English]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I appreciate the opportunity to speak on behalf of my Reform colleagues with regard to National Co-Operative Week and International Credit Union Day.

The co-op movement has a long and proud tradition in my province of Saskatchewan. It has played a significant role in the development of the province, in our nation and lands beyond our borders.

I pause to reminisce for a minute. My father was involved in some of the early co-operative movements. In fact his membership number in the Western Credit and Savings Union in Swift Current, Saskatchewan was 152 which indicates some of the history and grassroots nature of the movement.

• (1530)

Like most people in the prairies and perhaps across Canada, I belong to several co-operatives. Interestingly enough, one of the first meetings I had as a member of Parliament was with the credit union management, members and boards of directors in west central Saskatchewan. It was a very profitable meeting, indeed. They were concerned about federal issues that are dealt with by the Parliament of Canada and they were happy to meet with their MP.

The concept is simple and sensible. A group of consumers or producers band together to strengthen their bargaining position in the buying and selling of products. When members are buying they increase their competitive edge and when they sell they lower their marketing costs.

Co-ops have had their ups and downs, their triumphs and failures, as do most business enterprises, but they have been most successful when they have stayed out of the world of politics and focused on doing business and doing it well. Co-ops are businesses, and their job is to do business effectively for their owners, who are the co-op members, ordinary people who buy and sell.

Today I extend my best wishes to the co-ops and credit unions of Canada and the world. This includes their members, their boards of directors, their employees and their millions of customers.

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I seek unanimous consent of the House to speak on behalf of the NDP on this matter.

The Speaker: Is that agreed?

Some hon. members: Agreed.

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I am pleased to join with other colleagues in the House who spoke on behalf of their parties in congratulating the credit union movement and the co-op movement on the occasion of National Co-Operative Week and International Credit Union Day.

Needless to say, the New Democratic Party has political roots in the co-op movement, of which all members of the House will be aware. We are very pleased to be able to join in marking this week and this day.

It is important at a time when the language of competition is prevalent to remind ourselves that there is another way of looking at the world. It is a way of looking at the world that is rooted in a very Canadian way of doing things in the co-op movement.

Co-operation is also a good word. Whatever benefits may come from competition, and I would be the first to debate some of them, we ought to realize that co-operation is another way of doing things and one that has been represented very well in the country over the decades by the credit union movement and the co-op movement.

I call upon members of the House and the government to protect this tradition in everything they do. Various things are under attack from various places, whether it is the budget for co-op housing, the attack on the wheat board or various other things, all of which represent manifestations of this co-operative spirit in our political, social and economic history.

I am pleased to join with other colleagues on behalf of the NDP in marking this occasion. I hope we will keep in mind at all times the value of this tradition and the value of advancing it in every way we can.

The Speaker: I received a note during question period about a point of order to be raised by the hon. member for Elk Island. With your permission, I would like to finish the routine business and before we get into the orders of the day I will hear the hon. member's point of order immediately thereafter.

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canada-Europe Parliamentary Association on the fourth annual meeting of the parliamentary assembly of the Organization for Security and Co-operation in Europe, OSCE, held in Ottawa from July 4 to July 8, 1995.

Routine Proceedings

COMMITTEES OF THE HOUSE

CANADIAN HERITAGE

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Canadian Heritage in relation to its consideration of Bill C-93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

• (1535)

[Translation]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 91st report of the Standing Committee on Procedure and House Affairs regarding the list of members of the Joint Standing Committee of the Library of Parliament and associate members of standing committees. If the House gives its consent, I intend to move that the report be concurred in later today.

[English]

I also have the honour to present the 91st report of the Standing Committee on Procedure and House Affairs regarding the selection of votable items, in accordance with Standing Order 92.

This report is deemed adopted on presentation.

* * *

BRITISH COLUMBIA TREATY COMMISSION ACT

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.) moved for leave to introduce Bill C-107, an act respecting the establishment of the British Columbia Treaty Commission.

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

* * *

WITNESS PROTECTION ACT

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I seek the unanimous consent of the House to withdraw my private member's Bill C-206, an act to provide for the protection and relocation of witnesses.

The Speaker: Is it agreed?

Mr. Wappel: Mr. Speaker, I do so for the following brief reasons.

Members will recall that my private member's bill was debated and passed unanimously at second reading in the House of Commons and referred to the justice committee. Since that time my government has brought forward Bill C-78 on exactly the same subject.

Routine Proceedings

In my judgment the bill contains virtually the same items that are in my private member's bill. It is designed to protect and relocate witnesses to crimes in Canada. As such, it seems a waste of time to proceed with two bills with identical material. Accordingly I am quite prepared, with the consent of the House, to have my private member's bill withdrawn.

I ask for unanimous consent of the House that the order of reference to the Standing Committee on Justice and Legal Affairs for the consideration of Bill C-206, an act to provide for the relocation and protection of witnesses, be discharged and the bill withdrawn.

(Order discharged and bill withdrawn.)

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

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

I move that the 91st report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

Mrs. Ablonczy: Mr. Speaker, I rise on a point of information. I wonder if the parliamentary secretary could tell the House what the contents of the report are.

Mr. Milliken: Mr. Speaker, there are name changes for various committees, as I announced when I presented the report. There were changes naming associate members to certain committees and a change in the membership of the Library of Parliament committee. All was approved by the whips of the three parties in the House in accordance with normal practice.

• (1540)

(Motion agreed to.)

* * *

PETITIONS

MINING

Mr. Peter Thalheimer (Timmins—Chapleau, Lib.): Mr. Speaker, I rise today, pursuant to Standing Order 36, to present a petition signed by 175 people asking Parliament to support the people of 150 communities dependent on mining for their livelihood.

The Government of Canada has a responsibility to encourage investment in mineral exploration and the petitioners are asking that Parliament take action to keep mining in Canada.

YOUNG OFFENDERS ACT

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I have a petition signed by about 50 of my constituents who are in the teaching profession. It has been duly certified pursuant to Standing Order 36 to be in order.

My constituents in the province of Saskatchewan object strongly to the present status of Canada's Young Offenders Act. They feel that the Young Offenders Act has failed to address the issue of youth crime and has negative results in our schools, communities, and society in general.

Therefore they petition the House to enact legislation to significantly toughen the Young Offenders Act as quickly as possible, with a view to making young offenders responsible for their actions, making the names of young offenders public and increasing the severity of consequences for repeat offences.

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating all across Canada. This portion of the petition has been signed by a number of Canadians from my riding of Mississauga South.

The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession, which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home to preschool children, the disabled, the chronically ill and the aged.

The petitioners therefore pray and call upon Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home for preschool children, the chronically ill, the disabled or the aged.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am pleased to rise and present a petition of 28 names on behalf of Nola Newitt, who, along with residents of Rockyford, Strathmore, and Chilliwack, call upon the government to amend the Income Tax Act to provide a child care expense deduction that is available to all families, regardless of the income level of the parents, the amount of the child care expenses incurred or the form of child care chosen.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have three petitions today. The first petition contains some 450 signatures from across Canada.

It prays that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be

enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, the second petition contains the signatures of approximately 150 people, primarily from the province of Ontario, praying that Parliament act immediately to extend to the unborn child the same protection that is extended to born human beings.

CRTC

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, the third petition is in connection with the CRTC and is signed primarily by people from the province of Ontario. They pray and call upon Parliament to ensure that the CRTC recognizes that Canadians do not need to be shocked to be entertained. Foul language, excessive violence and explicit sex are not necessary to provide quality entertainment.

CANADA POST

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I have three petitions today. Two of the petitions call on Parliament to request the federal minister responsible for Canada Post to consider bringing in legislation requiring all unsolicited mail and flyers to use recyclable materials and post-consumer fibre, and amending the Canada Postal Act so that Canada Post would have to comply with no flyers signs at personal residences, with the exception of material from political parties and charities. The two petitions contain many names.

HUMAN RIGHTS

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, the third petition calls upon Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt all necessary measures to recognize the full equality of same sex relationships in federal law.

• (1545)

WITNESS PROTECTION

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, it is a pleasure today to present three different petitions from my constituency.

The first is signed by 33 of my constituents who pray that Parliament enact Bill C-206 at the earliest opportunity so as to provide a statutory foundation for a national witness relocation and protection program.

HUMAN RIGHTS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, the second petition is signed by 40 of my constituents who pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the

Points of Order

prohibited grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, the third petition is signed by 41 constituents who pray that Parliament ensure the current provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

* * *

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 Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[*English*]

POINTS OF ORDER

DECORUM IN THE HOUSE

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I rise on a point of order to assist in the maintenance of proper decorum in the House. I refer to a review on September 18 in which the Acting Speaker referring back to a ruling in June said: "We would hope and call upon members of both sides of the House to be mindful of the ruling of the Speaker in June regarding exhibits, lapel pins, et cetera".

Mr. Speaker, I draw this to your attention and ask you to remind members to refrain from wearing pins today. Perhaps we could all agree to do this. The members for Winnipeg South, Kent, Algoma, Verchères, St. John's West, and Kingston and the Islands are wearing exhibits.

The Speaker: I take the hon. member's advice à coeur. I noticed some members today are wearing a flower or a pink pin. I remind members that whatever pins or parliamentary buttons we wear, my general rule is I am guided by the House in virtually everything I do.

Government Orders

As long as it does not cause a disorder and is in keeping with the dignity of the House, I use these as general criteria for what we do. I encourage all hon. members to look at what they are wearing in the House. For the most part much of it is accepted and we take that for granted.

I will keep vigilant and I hope all hon. members will keep that in mind when in the House.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I remind you the Chair has the right to request that certain pins or items not be worn. On the night we voted on MP pensions certain members of the Reform Party were asked to remove them.

The Speaker: I thank my hon. colleague for reminding me of my decision. I always keep those decisions in mind.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): I want to come to Your Honour's assistance in this regard. I think your decision in June was quite correct, as I am sure all hon. members do.

• (1550)

Wearing pins and ribbons in the House is a longstanding tradition as far as I can understand, certainly since I have been here. I do not consider that a long time ago by standards of others. With great respect, there is a difference between pins and large buttons with highly visible insignia constituting a demonstration.

Difficulties occur when members hold up papers, documents or things that constitute a demonstration in the House or when they wear substantial buttons, placards or other symbols that carry with them words or letters transmitted by television as a message.

Your Honour's ruling last June indicated that buttons which carry a message and were visible to the public were contrary to the standards of dress in the House. With great respect, I think Your Honour drew a distinction between those items and small buttons or pins that members wear not readily visible on television and which may convey a message but are very small and discreet.

The trick to me in dressing for the Chamber is to dress in a decorous way that may involve wearing small pins, possibly unusual ties from time to time. I consider myself guilty sometimes on that score. Those are the things members are allowed to do. As long as it is tasteful I submit it is right. I think that was Your Honour's intention. I know members opposite, in making their points, are really supporting Your Honour's view in that regard.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I appreciate the intervention by the hon. deputy House leader for the government. It seems to me he is really saying buttons are okay but if something embarrasses the government it is okay for the Speaker to jump on it with both feet.

The Speaker: I thank all members for supporting my decision last June and for their comments which I will forever keep at the forefront of my mind when making my decisions.

Pursuant to Standing Order 33(2), because of the ministerial statement, Government Orders will be extended by 10 minutes.

GOVERNMENT ORDERS

[Translation]

CANADA-UNITED STATES TAX CONVENTION ACT, 1984

Hon. Marcel Massé (for the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec) moved that Bill S-9, an act to amend the Canada-United States Tax Convention Act, 1984, be read the third time and passed.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I appreciate the opportunity to begin the third reading debate on Bill S-9.

Hon. members will recall that this legislation ratifies the recently signed revised protocol to the Canada-United States Tax Convention.

Tax conventions are routinely modified, and this is essentially routine legislation. It has emerged from committee without amendments, and with good reason. By improving the operation of the Canadian and U.S. tax systems as they apply in tandem, it will result in fairer taxation and a better environment for cross-border investment and trade.

A number of the amendments provided for in the bill are of a technical or procedural nature, an arbitration mechanism, improved exchange of tax information, and provisions for assistance in collecting the taxes of the other country.

But there are also some substantive changes that will benefit Canadians and enhance the fairness of the two systems for non residents.

• (1555)

[English]

Let me begin with a provision that has been the subject of some misunderstanding, the application of U.S. estate taxes to Canadians with property there. Our achievement with respect to estate taxes is twofold. First, we are ensuring Canadians with property in the United States do not get a harsher deal at the hands of the American government than do Americans. Second, we are doing what tax conventions are all about, eliminating double taxation.

Government Orders

With respect to the first point it should be borne in mind that U.S. estate taxes do not kick in for American citizens until the value of their estate exceeds \$600,000. Under our law enacted in 1988 the threshold for Canadians with property in the United States is only \$60,000. In our opinion that is simply not fair. This protocol changes that, ensuring that Canadians are entitled to the same treatment as our American neighbours.

There is the matter of double taxation. For half a century tax treaties have been combating the unfairness and financial disincentives of double taxation. Typically each jurisdiction provides a credit against its own taxes on revenue from the other jurisdiction that has already been taxed in that jurisdiction. The complicating factor in this case is that while both Canada and the United States impose taxes upon death, these taxes take two different forms. The U.S. applies an estate tax whereas in Canada the levy takes the form of an income tax on any appreciation of a deceased's property over his or her lifetime.

Bill S-9 simply recognizes the situation and addresses the anomaly that would otherwise result. Without the proposed change, combined Canada and U.S. tax on the estate of a Canadian with U.S. property could actually exceed the property value. I do not think anyone in the House would deny that would be patently unfair to the taxpayers.

In other words, any suggestion this provision represents a tax break for the wealthy rests on the confusion about tax treaties in general and this protocol in particular. Wealthy Canadians will continue to pay substantial taxes on property owned at death.

Another important change is the reduction or elimination of the rate of withholding tax that each country will apply to certain types of revenue. The rate on interest payments will be reduced to 10 per cent from 15 per cent. The rate on direct dividends will go down to 5 per cent from 10 per cent and the rate on royalties on computer software and on patent and technological information will be eliminated entirely.

These changes bring the rates under the Canada-U.S. convention into line with those provided in the OECD model tax convention accepted by most of the OECD's 25 countries. More to the point, the reduced rates will facilitate trade and investments between our two countries.

For example, the elimination of the withholding tax on certain types of information technology will make it cheaper for Canadian companies to access technology from the United States and easier for our high tech firms to sell to the United States.

I will mention one further beneficial change provided for in this protocol. It concerns the treatment of social security payments such as old age security and the Canada pension plan. Under the existing convention these payments are not taxable in the source country and only half the benefit is taxable in the other country. Once the protocol is ratified, however, benefits

paid from one country will be taxable exclusively in that country.

To sum up, double taxation conventions are a vital part of the legal infrastructure underpinning trade and investment relationships between modern economies. The protocol the bill will ratify will result in fair taxation while enhancing the international environment for trade and investment.

Once again I remind hon. members the bill came out of committee unchanged. I suggest we pass it without further delay.

• (1600)

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, we have seen that the purpose of Bill S-9 is to ratify a protocol to the Canada-United States Tax Convention.

This convention regulates most tax provisions, as the hon. member explained earlier. This means it regulates most tax provisions between Canada and the United States. Canada has similar conventions with many other countries throughout the world. The purpose of these conventions is primarily to avoid double taxation. It would be unfair for a Canadian or a Quebecer who works a few months in the United States to be taxed first in the United States and again in Canada or Quebec when he files his income tax return at the end of the year.

So considering the extent of our trade relations and the proximity of the United States, the Canada-United States Tax Convention should be as harmonized as possible, although it is still detailed and very complex.

The bill before the House today will make it possible for both governments to help each other collect taxes from their taxpayers. It is often said that one good deed deserves another. The United States will help Canada collect taxes owed by Canadian taxpayers abroad and in turn, Canada will help the United States collect taxes from Americans when they are on foreign soil.

Following the free trade agreement with the United States, both countries decided to operate even more closely to simplify fiscal exchanges between the two countries. This enhanced co-operation and harmonization are all part of the trend towards free trade that is now sweeping the international community and is forcing governments to become more efficient in the way they tax companies and citizens of the two countries that are signatories to this convention.

The Bloc Québécois fully supports the trend towards free trade, as we have done since the negotiations began and as Quebec did as soon as the issue of international free trade was broached, since the Province of Quebec, unlike the federal Liberal government at the time, had come out in favour of free trade. Since we support the free exchange of goods in the greatest possible harmony and on the most equitable terms for Canadians and Americans, we have not changed the position we

Government Orders

took at the time and, today, we want the government to know that we will support this bill.

We know that without the firm support of Quebec and all major players in the province, the free trade agreement with the United States would probably never have materialized.

As I said earlier, Jean Chrétien's Liberals and even the Province of Ontario were strongly opposed to the agreement. Quebec was not only in favour of this agreement between the United States and Canada but also supported expanding the agreement to include Mexico and still supports this grand design for a free trade zone. With President Clinton of the United States, we would like to see this free trade zone extend from Alaska to Tierra del Fuego.

We could draw a parallel between this situation and the situation we see now in the political context involving Canada and Quebec. I must say that our support for the bill before the House today is entirely consistent with the position we would take on agreements with the rest of Canada.

• (1605)

Millions of dollars are at stake in Bill S-9. Millions and even billions of dollars will be at stake tomorrow morning before a partnership between Quebec and Canada.

For instance, some businesspeople told me that they could not decide on the matter because they needed both supporters and opponents of the bill to earn a living.

Both before and after October 30, we will need clients from both sides in order to ensure a climate of harmony, of beneficial exchanges between the two parties. If we have no need for both, as we are doing in this bill, why would businesspeople want to stop dealing with those clients who voted with the other side after October 30?

Businesspeople and companies who need both yes and no clients before October 30 will continue to need them after October 30. That is why we say that they can only hope for a partnership between both countries, just as the Bloc Québécois is now supporting the partnership advocated by Bill S-9 to harmonize taxes and estate tax rates.

Yet, with this bill, if Canada refused to sign a protocol with the U.S., it would not claim to be weakened, that this would be an obvious way to avoid co-operating with the U.S., or that the U.S. would be the only one at a disadvantage. Canada understands that it is in both parties' interest.

In the same way, when people from the no side tell us that tomorrow morning, we will have Canada and a separated Quebec, I think that what we have here is a new definition of separation. Where I come from, when a couple separates, it is not just one party who is separated; both the woman and the man say they are separated.

After October 30, once Quebec has proclaimed its sovereignty, we will not have a separated Quebec and a complete Canada. We will have a separated Quebec and a separated Canada. Both parties will likely be weakened in their positions if people in Quebec and the rest of Canada refuse to conclude harmonious free trade agreements between them so that their economic and trade positions would be strengthened by new links. There can be accommodations. An economic and trade partnership could therefore be arranged not only for taxation but also for international trade and the free flow of goods and services in general, in the interest of this country's two founding nations.

The bill does not specify how many millions and billions of dollars are at stake in this protocol. We do not know which country—Canada or the U.S.—will benefit the most from this tax liberalization protocol. We do not know, and the bill does not say. Perhaps the party in power has done studies on this? We simply do not know.

But we nonetheless agree because this is a principle of justice that can only benefit Canadians and Quebecers. It would not be normal for a Quebecer working in Florida for three or four months a year, for example, to pay more taxes for these three or four months than he would pay in Quebec if he had worked only in Quebec.

• (1610)

Bill S-9 will ensure that Quebec or Canada, as the case may be, will be able to claim from the U.S. the share of withholding tax on this person's compensation, under conditions that will be similar or identical in both countries. Hence the advisability of supporting this agreement.

Especially if trade and trade opportunities between two countries are involved, considering that \$1.3 billion is invested every year in manufacturing in Ontario cars, trucks and automotive parts for sale in Quebec, it would be sheer folly for the Ontario automotive industry to miss out on this market. Is Ontario going to refuse to come to an agreement with Quebec, claiming that it can no longer sell cars and trucks in Quebec because we have decided to achieve autonomy? That would be silly.

Also, Alberta sells us oil and natural gas worth more than \$850 million. Would our Albertan suppliers decide overnight to stop selling us oil and natural gas worth \$850 million because we have chosen to make our own decisions from now on?

For Bay Street, the heart of Toronto's financial district, Quebec represents a \$2.8 billion market for financial and insurance services. How can one believe that these people would not find it in their best interest to maintain harmonious business relations with us?

Government Orders

Integration of businesses in Quebec and Canada as well as the need to integrate businesses in Quebec and Canada with American businesses make it imperative that we maintain harmonious relations among ourselves. In turn, maintaining harmonious relations forces us to maintain the existing economic union, but under new terms, whereby each partner has a say in problem solving.

Where the shoe pinches right now is that one country is divided, with one partner claiming to have all the answers and be in a better position to manage the other one's taxes and imposes its will by force of numbers. That is why we were never able to find a solution: we realize that we are so terribly different.

When I was in college, we had a professor who used to say: "My friends, always remember that, when confronted with a problem, unless you hold the solution or are part of the solution, you are part of the problem".

That is the kind of situation we are in at present in Canada and Quebec. Over the past few decades, we have come to realize that we were facing certain problems. We told Canada: "Here is a possible solution: If you agree to a redistribution of powers between our two peoples, so as to allow greater fairness, greater autonomy and greater respect for our two peoples, we could find a solution for this great united Canada".

Unfortunately, Quebec, particularly over the last 30 years, has constantly clashed with the federal government and the rest of Canada, which want to keep control over the province's tax system, over its decisions and, in fact, over any major decision that a nation has to make regarding its future.

We feel that Canada was more part of the problem than part of the solution. This is why we initiated a referendum process, a democratic process which will allow Quebecers to freely express themselves and tell Canadians: "Ladies and gentlemen, tomorrow morning we wish to offer you a new sharing of responsibilities; we wish to offer you a new partnership whereby we will decide together, on an equal footing, what should be done to ensure the best possible future for us".

• (1615)

Let us not forget that soon, when Quebec becomes sovereign, the rest of Canada will no longer be in as strong a position, relative to other foreign countries. It is wrong and it is misleading to suggest that the rest of Canada will still be a strong country, while Quebec will have become a weak nation. A Canada without Quebec is a weaker Canada and a Quebec without Canada also takes on a different dimension. This is why we will have to find a way to pool our skills and strengths to maintain as best as we can our trade relations with other countries.

Should this not happen, Canada will not immediately go bankrupt, nor will Quebec: our two new countries will have to

face international conditions different from those which currently prevail, something which might be harder to do. Clearly, it is easier to enter into a partnership to solve issues, rather than try to find solutions to the same problems separately. This is obvious. But we cannot do it right now. We are told: you are already in a partnership, why do you want to leave? This is an illusion. We want out because we feel that we are not in a true partnership arrangement. We are in a minority position in a country where our province accounts for about 25 per cent of the population, and where half of the taxes paid by Quebecers are controlled by the majority.

We want more than that for Quebecers. We mentioned commercial reasons regarding free trade agreements. We could also provide reasons related to the number of jobs. We are not talking about the loss of one million jobs. We are not even talking about a loss, because we know that our partners of tomorrow will not let 250,000 jobs in Ontario disappear. Indeed, there are 250,000 jobs in that province that are directly related to goods sold in Quebec, particularly in the automotive industry.

In western Canada, 75,000 jobs are directly related to trade between those provinces and Quebec. We buy 50 per cent of the beef produced in the west. Tomorrow, Quebecers will not want to stop eating western beef, nor will western producers want to stop selling us their beef, because 75,000 jobs are at stake. In Atlantic Canada, we are talking about 26,000 jobs. Maritime provinces will not risk losing 26,000 jobs by eliminating economic and trade activity with Quebec.

In Canada, a total of 352,000 jobs depend directly on the trade between the rest of Canada and Quebec. I imagine that on October 31, businessmen will start calling their Premiers and ministers to tell them: "Gentlemen, let us be serious. Let us get down to business. Let us get back to basics and sound business practices. Keep protecting our markets and our jobs. Sit down and talk to each other and stop being so obsessed with your own policies".

I did not make up these examples. They exist today. This is the reality of trade, whether we like it or not.

The same goes for NAFTA. They want to scare us. They say that the next day we could no longer enter into an agreement, be part of NAFTA. However, tomorrow morning, for instance, we can enter into an agreement with the United States on estate taxes.

Americans who own securities, property or factories in Quebec or who come and work here a few months every year, tomorrow morning, these Americans will want to adopt the same bill, either with Quebec or a united Canada. Why is this bill before the House today? Because we realize that some Americans are penalized by differences in legislation, just as some Canadians and Quebecers are penalized by the law as we know it today.

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• (1620)

If Canada is prepared to acknowledge that harmonization of the legislation of our two countries is mutually beneficial, why should we be more reasonable with the Americans than with a sovereign Quebec, if it benefits our citizens? Personally, I think that the day after a declaration of sovereignty, the United States and the rest of Canada will sit down at the same table and will want to negotiate.

Quebec's production figures are four times those of Chile, which is expected to be the next country to sign NAFTA. Four times. Quebec's trade with the United States is eight times what it is with Brazil, Argentina and Chile combined. Canada tells us: "We are willing to let Chile become a member tomorrow morning", but they are not prepared to do the same for Quebec. Yet Quebec has eight times the trade exchanges with these three countries combined.

The American president has already stated, as I have already said, that he wanted to create a free trade zone from Alaska to Tierra del Fuego, which I imagine includes Quebec. He did not say "a free trade zone from Alaska to Tierra del Fuego excluding Quebec". That is not what he said. What he did say is that it is to everyone's advantage in this great economic space in which we live to liberalize trade. Some governors of northeastern states have already announced their firm intention to continue trade relations with a sovereign Quebec. Laurent Beaudoin is not the only one who has made a statement.

The government of Canada strongly supports Chile's application, as I have already said, and yet Chile has 148 times less trade with English Canada than Quebec has with English Canada. This is a key point. Another country like Chile would be accepted, yet Quebec, with 148 times more trade links than Chile, would be rejected. That makes absolutely no sense. Nothing but bogey man scare tactics. We will not stand for such a thing.

During a trade visit to South America, the Prime Minister of Canada made a strong and convincing plea in favour of broadening NAFTA to include all of the Americas. There is, however, a lack of logic in the no side which they are not prepared to acknowledge. Again this week, Mr. Martin has made himself the spokesman for the no side with respect to NAFTA. Yesterday in a speech to the Association professionnelle en développement économique du Québec, he raised three key points preventing Quebec from joining NAFTA quickly.

First, membership in the World Trade Association. With respect to this point, I must tell Mr. Martin that he is wrong, although I cannot tell whether or not his error is deliberate. I do not believe so, I think he might be acting in good faith, but it is obvious that he is in error. True, it could take several years for a country to conform to the World Trade Organization's rules before being accepted for membership. But he must acknowl-

edge at the same time that Quebec already meets all of the World Trade Organization's membership requirements. WTO rules contain provisions for accelerating the process for countries that are already in compliance with the rules.

Quebec would certainly have access to this fast track, which takes about two to three months. In the past five years, the latest countries to declare sovereignty or independence were all recognized immediately by the WTO. Perhaps one or two countries have still not yet been accepted, because they do not meet the basic requirements, because they were not part of a free market economy. That is why the delay. However, a sovereign Quebec, which already satisfies all the conditions, could join the organization quickly—within two or three months, and not two or three years, as Mr. Martin suggests. Even the Czechs and the Slovaks have had the advantage—

• (1625)

The Deputy Speaker: I would ask the member to use the minister's title and not his surname.

Mr. Laurin: You are right, Mr. Speaker. I should have said "the Minister of Finance".

Even the Czech and the Slovak republics, which have just achieved sovereignty, have had the advantage of this accelerated process, the process of joining the World Trade Organization, despite the fact that their economies were far less developed than Quebec's.

The Minister of Finance also contended that Quebec will not be able to sign NAFTA before achieving sovereignty, which, according to him, would take time. However, Quebec retains its legal status, so long as it remains a province of Canada, in my opinion and according to all the experts. As a province and so long as it has not declared its sovereignty, Quebec remains a party to NAFTA.

When we come to declare our sovereignty, we will have had time to talk with people. We will continue to be a party to NAFTA as a Canadian province, and the day after sovereignty, negotiations will be complete, and we will become another member of NAFTA, this time, not as a province, but as a sovereign country. His reasoning falls short here again.

The Minister of Finance raised a third point. He ignored an aspect of the international reality and existing practice, in stating that the American Congress was not keen at the prospect of new negotiations. The Americans have never behaved this way, because state successions promote the continuity and stability of international treaties.

If the United States ever did ignore this rule, it would be to Canada's full advantage to sign a partnership with Quebec, without altering the economic reality of Canada and Quebec, but permitting continued membership by Canada and Quebec in NAFTA, as provided in article 22.04 of the treaty.

It would be advantageous to both Canada and Quebec, because we must not forget that, if the United States wants to renegotiate with Quebec, it will surely want to renegotiate with Canada, which will have seven million consumers fewer than when it signed the treaty.

A Canada with seven million fewer inhabitants is not the same Canada. It is not the same NAFTA partner. And if Canada wants to maintain its economic weight in NAFTA, it should sign a partnership agreement with Quebec, because it would be to its advantage and to Quebec's to do so.

According to another of Mr. Martin's arguments, the United States will no longer want to allow new members to have a dispute settlement board. This is a half baked argument and should be quickly rejected because it is based solely on a letter written by a candidate for the Republican Party nomination. Just a letter from a candidate making this claim.

Furthermore, Mr. Martin has conceded that the negotiations with Chile include the dispute settlement board. They are currently negotiating, they have recognized the existence, the possibility of extending the jurisdiction of a dispute settlement board, yet they are telling us that the Americans are no longer interested. How can the Americans want this mechanism for Chile but not for Canada? They are consistent.

This makes it difficult to take seriously the finance minister's statement that Quebec will lose a million jobs and endanger 90 per cent of its exports. Just imagine. This is no laughing matter.

• (1630)

This just goes to show once again that ridicule never killed anyone, because the Minister of Finance would have died a long time ago. We can see how exaggeration often leads to absurdities.

We are proud and happy to participate in Canada's development by supporting Bill S-9, because it goes in the direction that we have always advocated. We do not want to destroy Canada, we want to build a country in Quebec, and we want Canada to remain prosperous as well. We want to live in renewed harmony, no longer from coast to coast but side by side. And the only way to live side by side is to support legislation that will make for more harmonious relations between the two countries.

Witch hunts must be stopped. They must stop telling Quebecers that Quebec is too small, that they cannot administer themselves without help, that they will not succeed in their endeavour. Quite the contrary.

Quebec's history has shown that every time Quebecers have really taken their destiny into their own hands, their endeavours were successful. They succeeded. And when Quebecers will decide, as they will on October 30, to become autonomous and

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to make their own decisions, they will be able to collect their own taxes and to sign their own treaties. It will enable them to make decisions on their own and to invest, in projects that better serve the interests of Quebecers, the \$30 billion in tax money they will no longer have to pay the federal government.

The Laurent Beaudoins who come and tell us that Quebec would be too small to meet the needs of large businesses like their should be reminded that countries smaller than Quebec have about 20 and sometimes as many as 30 companies that are twice, three times and even four times as large as Bombardier. Businesses larger than the one run by Mr. Beaudoin manage to prosper in countries like Switzerland, Norway and Denmark. The strength and vitality of a nation is not dependent on its size, but rather on the resourcefulness of its people, their commitment and their self-respect.

Naturally, Quebecers will want to invest mainly in research and development because this creates jobs. The Chinese have known this for a long time. An old Chinese proverb says: "Instead of handing out fish that will feed the hungry only for one day, teach them to fish". Teach people to fish and they will be able to feed themselves for the rest of their lives.

That is what Canada did with Quebec. Only with respect to unemployment insurance were we favoured. Quebecers did get more in UI benefits than they paid into the plan. That is the fish we were fed. Meanwhile, Ontarians were taught to fish, and teaching fishing requires research and development grants, which we did not get. And they thought we would go for that.

[English]

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I rise on a point of order.

I have been listening patiently to the member for the last 33 minutes. We are all very sensitive when the separatists speak in the House these days. We do not want to upset them in any way, shape or form. However, Mr. Speaker, at what point in time do you think the member will speak about the bill that is on the floor of the House?

[Translation]

The Deputy Speaker: I am sure that the hon. member will not be long in coming to the point of his speech.

Mr. Laurin: Mr. Speaker, I thought that what I was saying was very relevant to Bill S-9, since it addresses partnership with another country, the United States. I was therefore attempting to demonstrate that the proposals made concerning other bills before the House deal with exactly the same problem. There was a problem between the United States and Canada. Tax collection was not harmonized, estate taxes were not harmonized.

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• (1635)

A way has been found by two sovereign countries to discuss and to reach agreement on changing our laws in order to harmonize them and ensure that Bill C-9 benefits the citizens of both countries equally.

What I have attempted to demonstrate to this hon. house, with examples, is that this would be equally possible in other areas. I am well aware that my colleagues opposite do not like to hear anyone telling them that it is possible for the partnership to be a success. They cannot be hearing that word much these days. They only wish to hear it used in connection with other countries, but when Quebec becomes a country they will hear it more often. We think that at that point they will be prepared to come to the table.

At any rate, whether they like to hear us talk about it or not, this is a decision for Quebecers alone. And just as Quebecers, via their elected representatives here in the House today, agree to support Bill S-9, tomorrow morning Quebecers will also agree to support their representatives in the Quebec government and ask them to offer a partnership that is respectful of our neighbours in the rest of Canada, a partnership that will be advantageous to both parties, a partnership that will become the sole solution to our common problems.

[*English*]

The Deputy Speaker: It is my duty to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Davenport—Climate change.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, in two years in the House I have never seen a bill that all three parties support take so long to get through. Here we are debating the bill when all parties agree to it.

There are a couple of things I would like to say at third reading which I believe are worth clearing up. As everyone in the House has been informed, and for those taxpayers who have been watching the debate and seeing how a Senate bill gets through the House of Commons, there are some items in here that have caused some confusion.

The NDP member for Kamloops and the Liberal member for Gander—Grand Falls have raised some issues on specific items in the bill that have now confused the Canadian public. Now we have to participate in explaining why we support the bill or why some members are against it. There are only one or two people who are against it and it seems a shame that we have to talk about it.

The bill was done through negotiators on behalf of both countries. It was signed on August 31, 1994, so it is already a done deal. What we are doing is giving birth to it, endorsing it or whatever through the House of Commons.

As the Parliamentary Secretary to the Minister of Finance indicated, it eliminates double taxation, creates a level playing field, reduces the withholding taxes on interest and dividends, royalties and technologies, et cetera. It keeps up with the global need to remain and to become competitive. It is for those sound fiscal and economic reasons that the Reform Party supports the bill.

The bill has a lot of upside to it and will generate a lot of investment opportunities for Canadians in the United States and vice versa with the amount of investment Americans make in Canada. It is a reciprocity agreement. Whatever we have negotiated is a two-way street; what happens in the United States can also happen up here. I remind everyone that in a reciprocity agreement sometimes we have to give to get and sometimes we get to give. It works both ways.

I would like to try to clear up some of the confusion on behalf of the member for Kamloops. My office received a lot of phone calls about the bill based on the tirade over the treatment of universities in the United States and Canadians being allowed to make charitable donations to American universities. If they send their children to those schools, it is an allowable deduction. In typical NDP fashion it is a tax for the so-called rich and the rich should not be able to do anything except look after those people who the NDP deem need to be looked after, rather than having a system that is fair for all at both ends of the scale.

• (1640)

Based on the fact that the member for Kamloops has raised the issue and is getting a bit of play out of it in B.C., I would like to answer some of the questions people have been calling our offices about. I will also address the specifics of the bill. Maybe some of the confusion can be cleared up.

I must admit I am a bit frustrated personally that we in the House of Commons have to enter into a debate over something we were not a part of. It was in the Senate where all the specifics, details and all the justifications—

Mr. Mills (Broadview—Greenwood): Do you like taking your direction from the Senate?

Mr. Silye: No, it is just that the details were brought out in the Senate. The negotiations were done by representatives of both countries. They were not done by senators from both countries, but that is where it was approved.

My point is that it is frustrating that we now have to dig in and get all the details of a done deal. Nevertheless, I will make my

best stab at it and if there are some areas where I am a bit off the mark hopefully I will not be too far off. I will say so if I am not clear.

One question we are getting from B.C. constituents is: Why do we favour reductions in the rate of withholding tax on interest and dividends? I covered that in my opening remarks. This works both ways and will attract investment in Canada as well as investment in the United States. It is seen as another step in the reduction of barriers as we shift to a global marketplace. All OECD member countries, including Canada, the 25 member states have agreed to try to get their tax rates in line with one another to facilitate this.

It may so happen at this time because of the immediate nature of the deal being put into effect that the flow of capital into Canada may be reduced. That could be a temporary measure. In the years to come we could get it back on bigger and better deals we make with the United States.

The second question was: How can we endorse a bill that gives individuals with children in U.S. schools the ability to write off a portion of their expenses? While there are those who argue that we should not be subsidizing those who are well enough off to go to schools in the U.S., this benefit works both ways. Americans are allowed to make donations to Canadian universities as well. It is not only the privileged Americans or Canadians who are crossing the borders in pursuit of an education.

As members know, with legislation like this the good must be weighed with the bad. The potential benefits from freer flowing commerce between Canada and the U.S. far exceed the potential cost of a few individuals who send their children to American schools.

This is a reciprocity treaty and you win some and you lose some. If the principle of encouraging donations both ways was brought up in the House today as a separate measure from the principle of making a deal with the United States and encouraging a two-way deal, I would suggest that the principle of encouraging donations both ways would probably be supported in the House by the majority of members.

The third question which arose thanks to the member for Kamloops was: Are American contributions to Canadian charities given the same treatment? Yes, this is a treaty that ensures that Canadians and Americans are treated the same. It is a reciprocity treaty.

The fourth question was: What about the estate tax provision? Is that not just a tax break for the rich? No, it is not a tax break just for the rich. It tries to rectify an inequity in the current system.

In Canada we do not have an estate tax. The United States did and Americans did not have to pay any estate taxes unless there was an amount over \$600,000. Canadians had to pay on amounts over \$60,000. This reintroduces some equity into the system and

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now if a Canadian with property in the United States died and left an estate, it would only be taxed if the value is in excess of \$600,000. The bill levels the playing field on this issue. It signifies the intent of the bill as trying to make sure Canadians are treated the same in Canada as they are in the United States.

• (1645)

If owning property in the United States is only the purview of the rich, then so be it. However, I do not believe that everyone who owns property in the States all along the eastern seaboard happens to be rich. I happen to know the NDP made a lot of mileage on taxing the rich until suddenly everybody in Canada realized that rich meant anybody making over \$40,000 and they were hit as well. That took care of the NDP philosophy of taxing the rich, because they are not rich.

Regarding this attack on the rich by the NDP, even Abraham Lincoln addressed that in his day. He said that we cannot make the poor wealthy by making the wealthy poor. If we want to protect the disadvantaged—we need to protect the disadvantaged—if we care about those people who truly need the help then we make our laws and our policies and go about doing that. At the same time there are people throughout the economic scale who make \$50,000 or more who also deserve to have any inequities in the system addressed. They deserve to be looked after as well.

For instance, 62 per cent of those who made up to \$25,000 generated 27 per cent of total income, while their share of the total tax paid in 1991 was 11 per cent. My source for this is the Department of Finance. There were 19 million tax filers in 1991 and 13.7 million paid income tax and 5.3 million were not taxable.

I want to discuss the breakdown of how much tax was paid by the various groups. People who earned \$25,000 to \$50,000 represented 28 per cent of the tax filers and their share of both total income and total tax was 40 per cent. Ninety per cent of the tax filers in 1991 made \$50,000 or less and they paid 51 per cent of the income taxes that year. People in the \$50,000 to \$100,000 category represented 9 per cent of the tax filers, with a share of 23 per cent of the income. They paid 31 per cent of the total tax. People who made over \$100,000 were 1 per cent of tax filers, with 10 per cent of income and paying 18 per cent of the total tax. This means that 10 per cent of the tax filers in 1991 paid a total of 49 per cent of the taxes.

I point this out to the member for Kamloops so he can realize that the wealthy people in this country, the top 10 per cent, pay their darn share of the taxes. They pay darn well, they pay high, and they pay a lot, like 49 per cent of the total tax take. This business about going after the rich all the time is not going to work and it does not hold water with me, because they contribute a lot to the economy and keep the economy going. Every now and then someone should speak out on their behalf as well. They are suddenly becoming a small and select group as well in this country.

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This brings me to another issue I would like to talk about from this Bill S-9, which is directly related to the concerns of the Liberal member for Gander—Grand Falls, who very eloquently raised his objections to this bill at the Standing Committee on Finance. As I understand, having done a little more homework, this member has been watching this issue and this bill for a very long time. I found out that when in opposition he basically criticized the Conservative government for moving in this direction and moving toward this kind of a deal. In fact he questioned the government of the day on this quite a bit.

The history of Bill S-9 goes back prior to our getting it on our desks and saying we should pass the bill. The bill goes back to the Mulroney government. The member for Gander—Grand Falls had the job and unique duty to critique this item, as he did. Based on that and based on being in opposition to it at that time, he feels obligated to continue that opposition to it at this time.

I bring this point out to show there is at least one Liberal who sticks to his Liberal convictions. There is one Liberal who keeps his promise. There is one Liberal who does not break the promises in the red book.

• (1650)

Mr. Benoit: He did not vote against this though.

Mr. Silye: I believe when it comes to the vote he will have to be very careful how he handles himself. Perhaps he might have a cold or something. We certainly would not want the member to be in trouble with his party, since that whip is cracking pretty hard over there, as evidenced by the last sitting.

Some of the issues the member for Gander—Grand Falls pointed out are based on his personal crusade against the bill. He has taken a lot of effort and looked into it. He does believe that because it means less revenue for Canada it is wrong. He does believe it is a tax system for the rich. He does point out that the Reform Party and the Bloc Quebecois support it, as we do. Yet he never says openly, aggressively, that the Liberal government now supports it as well.

Perhaps when he has his intervention on the bill, because I am sure he wants to speak to it and address it as well, he would maybe tell us on this side of the House why it is that when they were in opposition and the Prime Minister and his group were over here this member was attacking the bill at the time, with their blessing obviously, with the finance minister's encouragement, with the leader of the party's encouragement. Why when they are on the other side of the House all of a sudden did they flip? Do they become puppets of the bureaucracy? Do they become puppets of the bureaucrats? Do they have to say yes to what those people tell them to do? When they were over here

they criticized it. They are over there and now they are endorsing it.

It now takes one lone voice, one lonely voice in that huge pack of 177 members over there to remind them that when they were over here they were not for this thing, they were not for the bill. They did not want to do reciprocity with the States like this. They were against stuff like that. They were against NAFTA. They were against all these things. Now they are for all this.

I do not understand. I do not mean to be taking the member for Gander—Grand Falls to task. In a way I am giving him a compliment, but in another way—

Mr. Mills (Broadview—Greenwood) You are dangerous. You are not fooling anybody.

Mr. Silye I also point out that there are inconsistencies here. I will compliment the member for being consistent. However I will criticize his party for being inconsistent.

The rest of the items on the bill I have covered. We do support it. I did have some time to talk about it, and I did feel it was important that as the representative for our party on the bill and as a supporter of the bill for our party I should set some of the record straight. I have to sort of pre-empt the member for Gander—Grand Falls, because I am sure he is going to say a few other words.

The intent of the bill and what it does accomplish is what the future of the country holds. We have to negotiate with other countries. We have to be creating a level playing field. We have to have taxation levels that are similar. We have to have reciprocity agreements that make the deals both ways. As the flow of capital and human resources goes back and forth, all around the world, as we push buttons on a computer and transfer large sums of money, just as an entry item on a ledger sheet, we have to be able to be competitive. First and foremost, that is what Bill S-9 does, it keeps us competitive. It is only the small minded, the narrow minded people in the House who want to protect themselves who would argue that this is not a fair and good reciprocity agreement.

There is nothing for me to add to this. I know there was a lot of confusion. I hope I have cleared up some of that confusion, why our party supports it. I hope I have addressed those constituents of the member for Kamloops. Also I hope I have put to rest this business about picking on the rich all the time, because the rich do pay their fair share. I do not believe this is a bill that satisfies the rich, because I believe people who make between \$50,000 and \$100,000 and own property down in the States are not really wealthy in this day and age, to make \$60,000 or \$70,000. In that case, with \$64,000, plus the perks we get, everybody in this place would be rich. I would say that a lot of people in the House would not say they are rich.

• (1655)

That is another debate. That is another issue. I bring it up only because of the confusion introduced into the bill by the member for Kamloops and by the member for Gander—Grand Falls. It is worthy of support. The sooner we get it over with, the sooner we can get back to real issues and real bills and get on with our economic lives.

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, it is an unusual day in the House when all parties support a bill. The member for Calgary Centre pointed that out at the beginning and then spoke for almost 16 minutes even though he felt it was a waste of time to talk about the bill, since we all agreed. What is more interesting is that he spent most of that time complimenting a member for the governing party, the member for Gander—Grand Falls. It is indeed an unusual day in the House.

I also want to speak to Bill S-9 and some of the concerns raised with respect to the bill, an act to amend the Canada-U.S. Tax Convention Act.

First I want to say to my colleagues that there is nothing sinister in the bill and no surprises for those who follow these issues. This was pointed out earlier. This matter was the subject of publicity earlier. There was a press release in April 1994 that announced that the protocol had been signed. A copy of the protocol was available. The fact that negotiations were taking place has been known for several years. It has certainly been known among people who practise taxation law and those who are concerned about cross-border investment. There are no surprises and nothing particularly sinister. The bill follows the OECD model tax convention treaty. Provisions of that tax convention model have been followed by as many as 25 countries.

There has been some suggestion that the bill amounts to a huge tax cut for corporations. I want to speak to that misconception. What the bill really does is facilitate cross-border investment. As has been said by others, tax conventions are all about reciprocity. What we are gaining through this tax convention and other tax conventions is enhanced investment in our country. We have to reciprocate for countries that are interested in that kind of relationship with us.

What we have here in the changes in withholding tax is a great incentive for Canadians to invest in the United States and likewise for Americans to invest in this country. Certainly at a time when we are concerned about jobs and growth, that is a very good outcome and a worthwhile goal.

There has been talk, again another confusion, about impact on the treasury, cost to Canadians. We should also focus on offsetting investment in tax revenues that come to Canada from that investment. That is what this treaty will accomplish.

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There has also been comment about estate taxes and some sort of opportunity that is being provided to the rich of this country. What is being addressed in the estate tax provisions of the convention is the matter of fair treatment. Canadians will be out from under the burden of double taxation and unfair treatment that has existed to date in the United States for those who have owned property there. That will be cleared up.

There has also been much discussion about the provisions of the convention dealing with the tax treatment of contributions to universities outside Canada. Some have been so confused as to think that this is something that has appeared in our law and is a function of this convention suddenly. It has been a matter of legislation in this country since the 1960s and has been in this convention since the 1980s. What is the result? Certainly the result is that Canadians may make contributions to U.S. universities, but I want to come back to the reciprocity issue and make the following point.

Looking into my own former university, McGill, we discover that over the years countless Americans have attended McGill University. Approximately 1,000 are there right now if we add full time and part time students together.

• (1700)

Here is what is most interesting of all. Let us look at the amount of contributions from McGill graduates in the U.S. and Americans to McGill University over the last five years. In 1990, \$2,452,000. In 1991, over \$3.7 million. In 1992, almost \$2 million. These are U.S. figures. In 1993, \$3 million Canadian. In 1994, the astronomical amount of \$7 million Canadian. In 1995 it is \$3,440,000 to date from American contributors to a great Canadian university. Those who question the wisdom of encouraging Canadians to make contributions to U.S. schools should ask themselves what the impact might be on contributions to Canadian schools.

I am pleased to support the bill and pleased that it has the support of all parties of the House. It is a sensible convention. It is updated from time to time, as it has been most recently by these changes. I look forward to having it passed by the House.

[*Translation*]

I would like to add a word on another point. The hon. member for Joliette used the debate on Bill S-9 to discuss the effects of separation. In response, I would like to say something very clearly.

First, if Quebec needs such a convention, it already has one as a province of Canada. Second, it seems to me that the hon. member does not have a strong grasp of international law, but this is always the way with the separatists. When they get up in the morning, they say: "I want something, therefore I shall have it". But the world does not work this way, and he knows it.

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International law is well written and very clear: if Quebec separates from Canada, Canada will remain the contracting state, not Quebec.

[English]

Mr. George S. Baker (Gander—Grand Falls, Lib.): Mr. Speaker, in response to the questions raised by the Reform Party and by the Bloc yesterday, the accountability of the Government of Canada to the people of Canada is made here in the House of Commons by the official opposition.

There are only two functions which Parliament serves: One is a legislative function and the other is an accountability function. The actions of the executive of government are held accountable to the people through Parliament. If the official opposition party does not do its job, then Parliament is not doing its job.

We have before us today a bill which came in through the back door. It was not the servant's entrance because the back door was the Senate. It came in through the Senate, but it involves an incredibly large expenditure of money in the final analysis. It is a large expenditure not in direct allocation, but in what the auditors general call tax expenditures.

The bill also includes provisions which Bloc members keep repeating as being wonderful. It cuts dividends by 50 per cent to American corporations which have subsidiaries in Canada. It cuts by one-third the taxation on interest on the money that flows back across to the United States. It eliminates every single royalty tax in this country which is held by Americans, except for trademarks. Trademarks are being bifurcated. It is a very difficult accounting procedure, but that is what is happening under the bill. There are those three big tax cuts.

• (1705)

I just cannot understand it. I do not believe there is one constituent of the official opposition—I keep referring to it as the official opposition because it is supposed to be the group that controls question period and debate in this Chamber. That is why we have a group of MPs like myself and others on the government side who are wondering where the accountability and debate is here.

What I am referring to is this philosophy of the official opposition that working Canadians should compensate people who have property worth over \$600,000 in the United States of America. With the passage of the bill, the estate tax in the United States only applies to property worth over \$600,000.

The Bloc is saying it is going to end double taxation. It is demanding this on behalf of Quebec. How? It says that the Canadian government taxes in a different way. Yes, it does tax differently on property over \$600,000 because there is no double taxation below \$600,000. The estate tax in the United States will not kick in until there is property over \$600,000 in the United States. The Bloc tells us it wants to end double taxation for

people who pay a tax on things that are valued at over \$600,000 in the United States of America.

The estate tax in the United States of America has been in existence since the turn of the century. It was brought in at the same time it was brought into Canada when income tax came in. Income tax was demanded by the people of western Canada in 1916 when they marched with their signs. They demanded that income tax be brought in. Their cry was the same cry as that of the people in the United States of America when they wanted income tax brought in at the turn of the century, about 1897, because they said the rich were not paying their fair share of taxes.

The governments of the day responded by bringing in taxes on wealth of varying amounts. Estate taxes came in. All of a sudden, here we are in 1995 and we are going to try to end double taxation which has been there since 1904. Worse than that, we are going to try to end double taxation for people who have property in the United States worth over \$600,000. I just do not understand the Bloc's position on this as the official opposition in the Canadian Parliament because that is where the objection should come from.

Let me repeat this again. There is no double taxation after the passage of this bill unless one has property of over \$600,000 in the United States. The double taxation is not really double taxation because we do not have an estate tax. Our death tax is on income. The estate tax is on property. Everybody in this Chamber knows that.

In the United States they take the value of one's automobile, house and everything else, the paintings on the wall and the dishes, the stocks and bonds, everything. In Canada we exempt the primary residence and the things one uses. Canada does not tax the car in the driveway; we only tax what the estate of the dead person says was actually an increase in value of the property that is not exempt. It is two completely different things, so how can we have reciprocity when we do not have the same thing in effect in both the nations?

• (1710)

When the bill was introduced into the United States Senate the Government of the United States said: "Each country agrees to allow an appropriate credit for the death taxes imposed in the other country". It is convenient for the United States because it takes about three years to settle an estate owned by a Canadian in the United States. A long time. You normally do not want to pay estate taxes in the United States. This will sort of hurry it up, will it not?

If we are now going to give a tax credit, where does that tax credit come from? It comes from the pockets of working Canadians. It comes from the person working on a construction job. It comes from the person who works in a store. It comes from the person making the beds in the hotels. It comes from every working Canadian. Until the official opposition in Parliament understands that the government must be held accountable

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on tax expenditures we will never get the finances of this country under control.

Apart from that, the other major thing in this bill is that it reduces by 50 per cent the taxes paid by American multinationals operating in Canada on their profits. Every single member of this House knows that we have a special division in Revenue Canada called the transfer pricing division. Every member in this Chamber knows there are nine or 10 people there and there are another 17 or 18 in the field looking at all these multinationals. Everyone knows that over 70 per cent of them do not pay any tax at all. Transfer pricing is the major problem but there are other problems as well.

You charge \$50 for a clothespin when you pass it from your parent company to your subsidiary. The trick is that if you have a company working in Canada at rates which are higher than in the United States, you want to make sure there is no profit showing on the books, so you bring down the profits by transfer pricing.

The only place we know they can pay taxes on their profits and operations in Canada is at the border. What is the Senate doing in this bill? The Senate is reducing that to half. How much money is that? Let me quote the chief of corporate and international tax of the finance department before the Senate standing committee on April 25, 1995. He was asked the question: Why not reduce it to zero? Instead of 10 per cent why not bring it down to zero? His answer is on page 19 of the transcript: "The principal reason is money". Do not forget we are reducing it by half down to five. He said: "I have not looked recently but I believe that our annual withholding tax take is approximately \$1.5 billion. Currently it would be difficult to sustain completely walking away from that". I repeat, 1.5 billion bucks.

Do you know, Mr. Speaker, that the agreement we are passing here today not only reduces the withholding tax by 50 per cent but it also commits us in writing that in three years time we will go back to Washington and negotiate it down?

An hon. member: No.

Mr. Baker: Yes, in this agreement, down to zero. That is only one of the tax cuts in this agreement.

Let me get to the whole purpose. What is behind this? What is behind this kind of rush? The *International Business and Finance Daily* is printing news stories. I will read a portion. I can table it for hon. members to see. It is marked: "Washington, September 12, 1995".

• (1715)

They are interested in getting the bill passed before the end of the month. Why? This is why. "The protocol to the tax treaty between the United States and Canada is expected to be ratified by the Canadian Parliament before the end of October". It then goes on to talk about the other protocols that were signed and quoted a Canadian official: "We will try as quickly as we can for the second reading, and the third reading will take place in the Canadian House of Commons". That is nice to know.

He then goes on to say that although the leading party, the Bloc, has the power to hold up the vote, he does not expect that it will. Then he goes on to say that one of the key features of the protocol is this: "The proposed treaty will be effective with respect to amounts paid or credited on or after the first day of the second month after the protocol enters into force". Just imagine. Let me repeat that: "the first day of the second month that the protocol" is finished in this Chamber. This is October. The next sentence is key. "Companies in the United States are looking to apply the rate to their 1995 income tax. However, if the third reading vote is delayed in the House of Commons they may have to pay the higher rate on dividends".

The largest multinationals in the world will be getting an enormous tax decrease. However, if this bill does not pass third reading before the end of October, they will not be able to claim their reduction of 3 per cent because the protocol lowers the existing treaty's 10 per cent tax rate to 7 per cent in 1995, 6 per cent in 1996 and 5 per cent in 1997. Does anyone want to save the Government of Canada a few hundred million dollars? Pass this bill the first week in November.

Those are just a few of the reasons why I am opposed to the bill. The big one is this. Every single business organization in the United States that appeared before the Congress of the United States made one point clear. Of the seven treaties that were being passed in the U.S. Senate, only the Canadian treaty was truly a one-sided affair with the majority of the benefits going to the United States.

Let me quote from probably the biggest business organization, the National Foreign Trade Council, Inc., 1914 representing 500 U.S. multinationals, Mr. Robert H. Green, vice-president, tax policy: "Turning to the treaties before you"—this is the testimony—"the one that clearly is of the greatest interest to the largest number of companies in my membership is the U.S.-Canada protocol. The investment that flows between the two countries is substantial and favours the United States. We have substantially more investment there than they do here. The dividend withholding rates which are phased into 5 per cent over three years are of tremendous benefit to the United States because of the reduced"—this, that and the other thing. He goes on to say: "Here are all the cuts".

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This is from the administration of the United States. Mr. Samuels, who appeared before the committee, stated at page 42: "If you look at the treaties that are before the committee, with the exception of Canada, we think that it is probably about a zero, that it is probably a wash as far as benefits are concerned. With respect to Canada, when you look at the relative flows, there is a greater flow of income into the United States from Canada than there is going from the United States to Canada and we will benefit".

Then comes an interesting quote. This is from the assistant secretary for tax policy of the United States. He says that in one of these cuts it is only a one-way street because according to him and the U.S. treasury: "It will have a lesser effect on U.S. outgoing flows of interest to Canada because much of the flow is already exempt from U.S. tax under the portfolio interest provisions of the code".

• (1720)

What do we have here? We have an agreement that was negotiated in 1988 by the Mulroney administration. The Reform Party is absolutely correct. Agreements are signed between governments sometimes and they must be honoured. However, that is no reason to stand up in this Chamber and support them when you are taking money out of the pockets of ordinary Canadians who are being laid off by the government. We are cutting back programs and here we are giving what is in effect a tax break to the very rich in this country.

Much more could be said about this agreement. It is very complex but it all boils down to three enormous tax cuts. It boils down to giving a tax credit to somebody who has property worth over \$600,000 in the United States. Those poor people, my heart goes out to them. If you have property in the United States worth more than \$600,000 you are subjected to the estate tax. If you are under that you are not subjected to it. These political parties in the opposition, the Bloc that is supposed to be doing its job, are saying: "Atta boy, this is the best thing that ever happened".

We all respect the function of the House of Commons. In order for it to function properly that accountability must be there in the opposition parties. That is why I take such strong exception to the procedure and the content of the legislation.

This is the House of Commons. This is the house of commoners. That is where that phrase comes from. This is not the house of millionaires or the house of multimillionaires. This is the House of Commons. In these difficult times we should not be increasing tax cuts, tax expenditures for wealthy people and big American corporations. If we keep doing this, Canadian corpo-

rations will not be able to compete. Where is the cut for the Canadian corporations here? Where is it? It is absent.

An hon. member: It is a reciprocal agreement.

Mr. Baker: He says that it is a reciprocal agreement. Reciprocal? This is a one-way agreement. Did he not listen to what I just read? Does he not know what the estate tax is compared with the capital gains in Canada? You cannot have a reciprocal agreement if it is not equal on both sides. You can have it, but why would you want to do it?

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I want to ask the member opposite to expand on one aspect that is very important and of which Canadians should be much more aware. By and large Canada is a branch plant operation of the United States. The vast majority of the industries in Canada are branch plant operations of the United States. The real profit is derived by American corporations in transfer pricing where the American parent charges the American marketing arm a price and the Canadian marketing arm a substantially higher price. Therefore, there are very few profits relative to the amount of business activity generated in Canada, thus very limited corporate profit taxes paid in Canada.

Given the fact we know this to be the case, why are there just 12 auditors involved in this, as evidenced by his speaking notes? The member opposite thinks we should be doing something. We are stuck with this legislation as it is a treaty that we have already signed. It is going through. Should we not put more emphasis into that part of the audit?

Mr. Baker: Mr. Speaker, I was not actually speaking from notes, I was speaking from my head on those subjects. Let me tell the hon. member this. In the United States of America a term called formulary apportionment is used rather than the arm's length procedures of transfer pricing.

• (1725)

The present system is this. The Canadian government discovered in the auditing branch one case where a company was selling paper clips for \$200 to a Canadian subsidiary to bring down the Canadian subsidiary's profits and then from the Canadian subsidiary was buying tires back for 6 cents each that were made in Canada to bring down the Canadian profits.

The Canadian government looked at that and at all the different systems in effect throughout the world. In the United States there is a system called formulary apportionment promoted by the state of California. Most states in the United States have this. They did it with foreign multinationals but they even did it with domestic tax. They made a judgment on the portion of the company's operations in each state.

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In other words California said: “We are going to make a judgment here. We are going to decide after looking at the entire operations—the company would have to open its books—how much the operations are paying in each one of the states”. That led to double taxation.

The international multinational companies will not go to California because of that. California had to drop it but it is still a principle that is being promoted.

We should have more investigators in Canada. The hon. member and I agree on that. A lot of money is tied up here. There is \$10 billion, \$20 billion at stake. However, what has been done in Canada, which is probably the best system, is an agreement has been signed.

The investigators go after each one of the multinationals and sign a pre-agreement, an agreement in advance. It is a secret agreement, because one cannot go around telling everybody what one’s operations are.

An agreement is made in advance. That has cut down on a lot of the violations in Canada. That is the reason why the office is so small. It is a very effective and well run office.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, since the hon. member for Gander—Grands Falls has decided to turn himself into a member of the opposition, I would be delighted to invite him to cross the floor and join us. We have several other causes to defend against his party. We would be delighted to welcome you, Sir.

[*English*]

Mr. Baker: Mr. Speaker, I will be very brief. No thanks.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I understand that the debating skills of the hon. member for Gander—Grand Falls are legendary in the House. They go back to his days in opposition.

We really had not experienced them until the debate on Bill S-9. Now we see his passion and his fervour. I wonder if the member would assure the House that he will back up this passion and fervour with deeds. Does he intend to vote against the government and against Bill S-9 when it comes forward for a third reading vote?

In other words, will he be in the House and will he vote against Bill S-9?

Mr. Baker: Mr. Speaker, the hon. member puts forward an interesting proposition. I think my friend behind me and to my left answered quite appropriately one day when he said: “If you vote against the government on a finance bill, it is a vote of no confidence in the government”.

The assumption is made under our rules, that if one has no confidence in the government then that person must have

confidence in one of the opposition parties. Unfortunately with the positions taken by the opposition parties, I have less confidence in them than I have in the present Government of Canada.

• (1730)

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I too wish to congratulate the hon. member for Gander—Grand Falls on the eloquence of his speech. He is truly a fantastic speaker. He is interesting and fun to listen to.

The hon. member has spoken against the bill presented by his party. I congratulate him for that, for coming out and expressing his thoughts on the bill even though they are different from what his party endorses.

Will he be in the House to vote against the bill at third reading? Why did the hon. member not vote against the bill at second reading? The hon. member was here before the vote and chose not to be here during the vote.

How can he tolerate being a member of a party which is so anti-democratic that it will not let its own members vote the wishes of their constituents? The hon. member obviously believes he is representing the wishes of his constituents on this issue.

Mr. Baker: Mr. Speaker, I respect the hon. member’s question. It is very interesting.

The hon. member will notice that in the last couple of days I have had a rather bad back. It is difficult sometimes to stand and to be seated. Hopefully my back will improve as the days go on.

However, I can tell the hon. member what I intend to do tomorrow. The only flight I can get to Newfoundland is early tomorrow morning and so I may have to miss the vote.

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

Some hon. members: Question.

The Deputy Speaker: 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: No.

The Deputy Speaker: In my opinion the yeas have it.

Some hon. members: On division.

(Motion agreed to, bill read the third time and passed.)

Private Members' Business

Mr. Boudria: Mr. Speaker, I rise on a point of order. I wonder if the House would consent to calling it 5.40 p.m. so we could proceed to private members' hour.

The Deputy Speaker: Is there unanimous consent to call it 5.40 p.m.?

Some hon. members: Agreed.

[Translation]

The Deputy Speaker: Since, as we decided, it is now 5.40 p.m., the House will now proceed to consideration of Private Members' Business as indicated on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

ENDANGERED AND THREATENED SPECIES ACT

The House resumed from June 20 consideration of the motion that Bill C-275, an act respecting the protection and rehabilitation of endangered and threatened species, be read the second time and referred to a committee.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I am happy to speak on Bill C-275.

The fundamental goal of any endangered species legislation must be to ensure—

Mrs. Ringuette—Maltais: Mr. Speaker, I rise on a point of order. As a member of the government I should have the privilege of speaking first on this motion.

The Deputy Speaker: The hon. member will appreciate that there is no automatic order to the government side's speaking on a private member's bill. I understand that a government member spoke last and therefore it is now the Reform Party's turn.

Mr. Hermanson: Mr. Speaker, as I was saying, the fundamental goal of any endangered species legislation must be to ensure that no further native species go extinct and that already endangered species recover to healthy and self-sustaining levels. To do this we need to use the most effective, efficient and fair methods possible.

The federal government has jurisdiction over the management and preservation of wildlife on federal lands. Likewise, the provincial governments have jurisdiction over the management and preservation on all non-federal lands.

I understand that currently only four provinces have endangered species legislation: Manitoba, Ontario, Quebec and New Brunswick.

Farmers and ranchers in Saskatchewan are concerned this type of legislation will prevent them from doing what they want with their own land. They are afraid governments will annex

part of their land if an endangered species makes its habitat on their property. Farmers and ranchers are not against the protection of endangered species and populations. Farm owners, landowners and land leasers are respectful of our duty to protect all species with which we share this planet.

Any legislation must first consider the rights of the private landowner. By considering their rights we will then be able to find a co-operative solution to the preservation of endangered species.

My constituents who are farmers and ranchers certainly do not want to have any legislation thrown at them telling them how they ought to regulate their land. They must not be ignored. Farmers and ranchers are the closest to the land and are familiar with the animals that are endangered species and what needs to be done to ensure their survival. It is the duty of responsible government to sit down with those most affected by such legislation and find a common solution.

Recently United States officials under the U.S. Endangered Species Act shut down a portion of a west coast logging operation in order to save the spotted owl. This was economically disastrous for several communities. We are aware of the extreme measures taken by the U.S. Not only were they irrational but they do not in any way take the private citizen's concerns and rights into account.

The U.S. Endangered Species Act compliance process for single family residential lots states that only a recent issuance of a proclamation by the U.S. Fish and Wildlife Services has changed this regulation. The United States has spent approximately \$825 million and has not recovered one species.

Some member from across the floor might say the U.S. measures are draconian and that this government would never follow such a lead. Let me remind Liberal members that the Minister of the Environment is a follower of U.S. practices. The U.S. banned the additive MMT in unleaded gasoline and the Minister of the Environment followed suit. The U.S. is considering a ban on sulphur and so watch for the minister to be trapped and only a step behind on this one as well.

Bill C-275 is not similar to legislation currently practised in the United States. The bill's scope is to protect only species on federal lands. Like most legislation that comes from the government side, it flirts with that slippery slope concept.

We are concerned, as I know landowners in my part of the country are, that the Minister of the Environment may be using this as a test case to bring forward some severe legislation not balanced and not fair to landowners but protecting endangered species, which we all share a concern about.

Clause 9(1)(a) states in part that the minister "may make regulations forbidding or restricting any use of, access to, activity on, or the release of any substance on, federal lands that are public lands". Clause 9(1)(b) states in part "federal lands that are private lands".

If crown land is leased to a private rancher, which I assume occurs in some parts of Canada, does that mean the control of the land is under the jurisdiction of the crown or the lessee? When I mentioned the slippery slope, this is exactly what I was referring to.

Perhaps the sponsor of the bill, the member for Davenport, might provide me with further clarification of this section and I would appreciate it.

Clause 3(2) of the bill states:

For greater certainty, nothing in this act shall be construed so as to abrogate or derogate from any existing aboriginal or treaty rights of the aboriginal peoples of Canada under section 35 of the Constitution Act, 1982.

Endangered species legislation should apply equally to all Canadian citizens. There can be only one set of laws applied equally to everyone in Canada. If the government is serious about the protection of species it cannot predetermine which federal land will be part of this jurisdiction and which will not; it is either all or nothing.

Furthermore the Minister of the Environment has stated all Canadians share responsibility for ensuring that species are not lost to extinction as a result of human activities. I hope the minister when drafting her legislation will make certain that all Canadians will really mean all Canadians.

On August 17, 1995 the Minister of the Environment introduced a legislative proposal dealing with endangered species. It was called the Canadian Endangered Species Protection Act. Its intent was for consultation purposes with a hope that legislation would be introduced in the late fall. As of now Canada does not have any legislation dealing with endangered species. I was recently told that even the minister did not know that such legislation was absent in Canada.

This causes me and some of my constituents great concern, not the minister's lack of knowledge of her own portfolio but rather that she will now try to bring in legislation as quickly as possible in order to make a mark for herself. A responsible government would not do such a thing and therefore I ask the environment minister to make sure she not only has the environmental activists on her side but the industrial and agricultural communities as well.

It is extremely important to find common ground between all interested parties. Decisions on endangered species legislation should not be made hastily.

The Western Stock Growers Association has outlined five goals that go a long way in protecting endangered species without unnecessary intrusive government legislation. I bring these to the attention of the House.

Private Members' Business

First, land goals: They should be to maintain productive capacity for producing food and feed through sustainable development; management of habitat for both domestic livestock and wildlife; control access to such lands to limit disturbance to all species; empower the land holder to make appropriate management decisions.

Second, people goals: Allow local stakeholders a voice in the process; maintain the necessities of life and maintain the quality of life, particularly life in rural Canada.

Third, financial goals: Determine all of the direct and indirect costs of protection; determine all of the economic impacts and all benefits; preparation of a comprehensive budget to show how and by whom the action plan will be paid.

Fourth, government goals: Create a regulatory environment that facilitates flexible responses to endangered species management and avoids coercion of land holders; provide integration of funding of the foregoing processes; facilitate management by land holders.

I commend the member for Davenport on his bill. He has been a member in the House for some time and has been a champion for environmental causes. For this he should be applauded.

Should the bill make it to the Standing Committee on the Environment and Sustainable Development I hope the member for Davenport, the chair of the committee, will seek witnesses from all interested parties. I hope he will allow individual ranchers and farmers to appear so that the committee will hear from those who would be directly affected by his legislation.

I could spend a bit of time talking about some of the hoops American landowners have been put through by the endangered species legislation in the United States but I do not have time. I hope the member for Davenport and, more important, the Minister of the Environment become familiar with these issues.

Saskatchewan on two occasions, first under a New Democratic government and second under a Conservative government, attempted to introduce endangered species legislation without properly consulting all the stakeholders involved, particularly the landowners.

Landowners are certainly conservationists. They are environmentalists. They have the best interests of the land they are stewards of and the species that live on that land at heart. Coming from an area on the South Saskatchewan River, the river valley, it has been a joy to watch species flourish and live in harmony with nature and with the people who are the stewards of the land both for cultivation and for grazing of livestock.

There can be a co-operative approach to protecting endangered species and not limiting the rights of landowners and the lessees of crown land.

Private Members' Business

• (1745)

I implore the government and the Minister of the Environment to pursue that approach. I also encourage the member for Davenport in his legislation, should it go farther than this point in the House, to be willing to look at amendments to his bill that might respect the rights and interests of land owners in this whole situation.

[Translation]

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I welcome the opportunity today to speak to Bill C-275, an act respecting the protection and rehabilitation of endangered and threatened species, standing in the name of the hon. member for Davenport.

[English]

The paddlefish, the swift fox and the black-footed ferret have one thing in common: They no longer exist in the wild in Canada.

[Translation]

As for the Labrador duck, the sea mink and the blue walleye, all three have ceased to exist.

The Eastern cougar, the Salish sucker, the right whale, the white Prairie gentian and the spotted owl are endangered in Canada.

[English]

The white-headed woodpecker, the blue ash, the western Atlantic harbour porpoise and the spiny softshell turtle are threatened. The polar bear, the eastern bluebird, the orange-spotted sunfish, the pug-nose minnow, the prairie rose, the blue whale and the trumpeter swan are vulnerable.

[Translation]

Canada now has 244 animal and plant species on the endangered list. These species are affected by the loss of essential habitat, excessive harvesting, introduction of exotic species, climatic change and contamination by toxic products.

[English]

The time has clearly come for the federal government to release a legislative proposal for a Canadian endangered species protection act. The government has decided to ask for public comment on this proposal before introducing a bill in Parliament because it wants as much input as possible from as many Canadians as possible.

The document is short and straightforward. We have eliminated as much of the legalese as we could in order to allow Canadians to participate in constructive discussions before the final drafting of the bill.

[Translation]

Protection of endangered species is the responsibility of all groups in our society and each and every citizen in this country. We need legislation that will make the Canadian public feel directly involved.

The bill before the House today seeks to regulate the following activities: the killing, wounding, capture, collecting or disturbing of endangered species, including plants, birds, fish, mammals and their embryos. The bill also seeks to establish Canadian controls over the purchase, sale and international trade in endangered species. To me it is quite clear that Canadians want the maximum penalty imposed on anyone who tries to make money by unlawfully importing or exporting endangered species.

[English]

The committee on the status of endangered wildlife in Canada, an arm's length scientific body, would assess the species at risk on an annual basis. The Minister of the Environment would be required to establish a list of species at risk in areas of federal jurisdiction.

Response statements outlining a plan of action would be mandatory. Recovery plans, if required, would be prepared within two years for endangered species and within three years for threatened species.

The proposal would also permit emergency measures to be taken to conserve and protect species requiring the equivalent of emergency ward treatment.

[Translation]

The proposed legislation would authorize the Minister of the Environment to enter into financing or conservation agreements in partnership with other governments, agencies and property owners for the purpose of preserving endangered species.

The bill would also provide for strict enforcement and severe penalties.

[English]

The federal government has a responsibility to set a benchmark for effective endangered species legislation in all of Canada's jurisdictions, but that is not enough. We also have a responsibility to work with the provinces and the territories to ensure a comprehensive national approach to the protection of endangered species in all parts of Canada. The federal government is committed to doing its part in this shared enterprise. Acting alone however, the federal government cannot come close to solving all of the problems.

• (1750)

[Translation]

I would like to take this opportunity to congratulate Manitoba, Ontario, Quebec and New Brunswick for previously adopting legislation to protect endangered species. I am convinced

that in the coming months we will be able to sign a document setting forth a formal, national approach. And I am fully supported in this conviction by the fact that Canadians expect us to pool our resources for this common cause.

[*English*]

Over the last year of consultations leading up to this legislative proposal, the Minister of the Environment has especially benefited from the wisdom of the Endangered Species Conservation Task Force, a group with representation from wildlife experts, environmentalists, farmers, fishermen, foresters, and the mining, pulp and paper, and petroleum industries. They are the people on the front lines. They have acted in good faith despite their often divergent interests.

She has asked the task force to reconvene to provide advice on some outstanding issues, including a strategy for education programs and the application of the legislative proposals to crown corporations. She would also like further advice on issues of cost and compensation. She is particularly concerned that farmers and aboriginal peoples, the stewards of the land, are treated fairly by a new law.

The minister asked the task force to give thought to how we can ensure the active participation of the maximum number of Canadians in protecting endangered species. In effect, how do we ensure that there is a national safety net for species at risk?

[*Translation*]

As we prepare for new legislation on the protection of endangered species in Canada, we should feel particularly grateful to the young people in this country. Students across the country have kept up the pressure on the minister. They have circulated petitions and sent thousands of individual letters into which they put a great deal of thought.

The minister means what she says when she wants Canada's young people to continue to help her write this legislation. The bill will be available on Environment Canada's green line on Internet, and the minister urges everyone to send their comments. We want to have the best possible legislation that will support economic growth while protecting genetic diversity and the species and ecosystems that constitute the biological basis of our world. We owe it to endangered species and to future generations of Canadians.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I am pleased to participate in the debate on Bill C-275, an act respecting the protection and rehabilitation of endangered and threatened species, tabled in the House on September 28, 1994 by the member for Davenport.

Private Members' Business

This bill provides for the identification, protection and rehabilitation of flora and fauna in Canada threatened or endangered by human activity and for the protection of habitat and the restoration of population. It gives the Minister of the Environment a mandate to develop and implement programs to restore and maintain these species.

I congratulate the member for Davenport for tabling this bill and for his devotion to the cause of ecology. The goal is a very plausible one.

• (1755)

It must be said that, despite international conventions and the very important United Nations conference on development and the environment held in Rio de Janeiro in 1992, I note that, generally, countries and governments do not do enough in this area.

As you know, I come from Chile, which, like other countries in Latin America, has rich flora and fauna. However, there as well, certain species are threatened and endangered. There is the condor, for example, a huge and majestic bird that lives in the Andes, or the llamas or the guanacos. These are species that inhabit the countries of the Andes, Peru, in particular, and Chile. Fortunately, for the first time, the Chilean government has enacted legislation on the environment. Another example is Costa Rica, which has very special and wonderful flora and fauna and is also doing a lot to preserve its natural wealth.

Efforts in species preservation must be concerted. National and international co-operation must be established. Fish, marine mammals and migratory birds must be protected first and foremost. This bill provides for the creation of two organizations: the Committee on the Status of Endangered Wildlife in Canada and the Committee on the Recovery of Nationally Endangered Wildlife.

It also authorizes any citizen to submit an application to the Minister of the Environment to have species added to or removed from the list of threatened or endangered species. The minister will have six months to respond to such applications and will have to table a full report on June 1 each year on the matter.

Canada still has a lot of work to do, despite its fine international reputation in environmental matters. In November 1994, the Minister of the Environment published a working document advocating the strengthening of laws to protect species threatened with extinction in Canada. In addition she announced new federal legislation in this area. At the moment in Canada, 236 species of flora and fauna are endangered, threatened or at risk.

Since the 17th century, Canada has lost at least 14 species of bird, mammal and fish. The situation worsens each year. These species are lost due to human activity. Over hunting is the most serious threat. There are fewer and fewer old forests. Wildlife is

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threatened by chemical pollution in the environment. Acid rain, air pollution and global warming add to the pressures on these species.

Canada should apply more firmly the Convention on International Trade in Endangered Species of Wild Flora and Fauna. It must put a stop to the over harvesting of endangered species in the world as a whole. Illegal trade in certain wild animals has almost led to their extinction.

I would like to take a moment to voice my criticism at the decision by the Nova Corporation of Calgary, which was awarded the contract to build a pipeline between Argentina and Chile, and, to save money, will cross right through the city of Pirque and has already started cutting through extremely rare and ancient trees in Chile along the way. The Chilean parliament recently adopted a resolution supporting the demands of the population of Pirque, a city located at the foot of the Andean Cordillera, who wants the gas pipeline to be kept at a distance from their city.

• (1800)

That resolution also calls for a complete study on the environmental impact to be carried out before the pipeline is constructed. In my opinion, Canadian companies in other countries ought to respect the same environmental standards as those in effect in Canada. I have taken the liberty of writing to the Minister of the Environment deploring this situation and asking that she intervene with the management of the Nova Corporation of Calgary to ensure that it will comply in Chile with the standards already in force in Canada. I would ask the same of all Canadian corporations who invest in other countries. There is a moral duty to respect the minimum legislation already in place in Canada.

Although this is typically a provincial responsibility, much to our dismay only four provinces have passed legislation to protect these species, and I am referring to Quebec, Ontario, New Brunswick and Manitoba.

I am delighted to say that for years Quebec has had its own legislation and its own Department of the Environment and Wildlife, one of whose objectives is to protect threatened species.

The federal government has limited jurisdiction in this area. It is responsible for the preservation of fauna and flora on federal lands, for instance, parks managed by Ottawa. It is also responsible for regulating international and interprovincial trade and for preventing illegal trafficking in endangered species. However, it should not encroach on provincial jurisdictions, and especially Quebec's.

This legislation has raised many questions in this regard. The Quebec Minister of the Environment and Wildlife, Jacques Brassard, has already announced his own strategy for the preservation of Quebec's biological diversity. He has asked the

federal government to remain within the sectors that are its exclusive responsibility.

My Bloc Québécois colleagues, the hon. members for Laurentides and Anjou—Rivières-des-Prairies, previously commented in considerable detail on the subject during the debate last June.

Although the bill's objectives are indeed praiseworthy, I cannot support this legislation because it encroaches on provincial jurisdictions, and more particularly that of Quebec.

Once again I would like to congratulate the hon. member for Davenport on his dedication to environmental issues, which I fully support, but I also wish to inform him that the Bloc Québécois will vote against this bill.

[English]

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, it is my pleasure to rise today to speak on this bill. Previous speakers today have enunciated the fact that there has been or still is a patchwork of legislation across the country.

There appears to be some consistency lacking. Concerns about a lack of endangered species legislation in greater Canada has been expressed for well over a decade.

It is my view that all Canadians have a moral responsibility to ensure that future generations enjoy and benefit from the presence of diverse wildlife species. The federal, provincial and territorial governments together must provide the required leadership and legislative tools thereto. That strategy will set the stage for action in a number of areas, including the identification and protection of endangered species.

The biodiversity convention calls for the development or maintenance of necessary legislation to protect wildlife and their habitats at risk.

• (1805)

The responsibility for protecting endangered species is shared among the federal, provincial and territorial governments. Options for federal endangered species legislation have been explored with the preferred course of action being a co-operative national approach. The federal government continues to work co-operatively with the provinces and the territories to develop and ensure this national approach. Because there is currently no federal endangered species legislation in Canada and only a patchwork of provincial legislation, we need a strengthened national effort to ensure endangered species conservation.

In November 1994 the Minister of the Environment was presented with a 75,000 signature petition calling for a law to protect endangered species. This petition, the more than 5,000 subsequent letters and the comments made during public consultations clearly indicate that Canadians, children and adults alike, expect federal leadership on this issue.

An Angus Reid poll conducted in May showed that an overwhelming majority of Canadians, 94 per cent, support the idea of federal legislation to protect species at risk. The support for legislation is firm. Seventy-five per cent of Canadians strongly support such legislation and 20 per cent somewhat support it.

Last November the Minister of the Environment released a discussion paper on endangered species legislation in Canada, another one on a proposed national approach to endangered species conservation in April and a series of public workshops were held in May.

In August 1995, with full cabinet approval, the Minister of the Environment released for public comment a legislative proposal to protect endangered species entitled "The Canadian Endangered Species Protection Act: A Legislative Proposal". The legislative proposal was released to ensure that the federal government is doing its part and working co-operatively with other jurisdictions to protect endangered species throughout the country.

The minister encouraged the public to provide comments on the legislative proposal prior to introducing legislation in the House of Commons in the spring. The comments received will help the federal government finalize its plans for protecting endangered species.

The proposed legislation would help prevent wild Canadian species from becoming extinct as a consequence of human activities and mandate the recovery of species where technically and economically feasible. It would apply to species on federal lands and waters or under federal authority.

The proposal arises from discussions with the provinces and territories on a national approach to Canadian endangered species protection. It also responds to the comments, suggestions and briefings made by Canadians at the public consultation workshops held across the country, as well as to the recommendations of a federal endangered species conservation task force. There were also many useful aspects of Bill C-275, which stands in the name of the hon. member for Davenport and was introduced in September 1994, which were also considered in drafting the proposed legislation.

The proposal under consideration by the Minister of the Environment is consistent with the commitment enunciated in the red book which puts forward a vision of society that "protects the long term health and diversity of all species on the planet". The proposed legislation would also clearly demonstrate this government's commitment to the Convention on Biological Diversity.

The federal endangered species conservation task force, made up of representatives from environmental groups, industry and industry associations, academia and small business was established by the Minister of the Environment to advise her on the contents of the federal endangered species legislation. The task force reconvened early in October to provide additional advice

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on a number of key issues, including the best way to achieve the desired safety net that will ensure that all endangered species in Canada receive the protection they deserve. The task force is expected to provide its report to the Minister of the Environment by mid-November.

The legislative proposal is intended to form the federal component of a comprehensive national safety net for the country's most vulnerable species.

With the co-operation of federal, provincial and territorial governments, the proposed legislation will succeed in providing a strong national approach for the conservation of endangered species.

• (1810)

The proposed legislation will apply to the full extent of federal authority to federally managed species everywhere and federally managed marine areas. The proposed legislation would establish a national listing process for all species in Canada regardless of where they occur.

Federal government actions will not intrude into provincial and territorial responsibilities. The common but differentiated responsibilities of the federal, provincial and territorial governments with respect to endangered species are recognized. The proposed legislation is intended to complement, not contradict, provincial and territorial actions.

The release of the legislative proposal prior to the tabling of a formal bill demonstrates our commitment to protecting Canada's endangered species and our commitment to open and transparent government. The federal government remains committed to working co-operatively with the provinces and territories to develop an effective national approach to endangered species conservation. By taking action at the federal level and getting our own house in order we are demonstrating our commitment to making the national approach work.

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, I am pleased to rise today in support of Bill C-275, an act respecting the protection and rehabilitation of endangered and threatened species proposed by my hon. colleague, the member for Davenport.

The protection of endangered flora and fauna must be a matter which concerns us all. Extinction is forever. When a species becomes extinct, it is a loss for both the world and for Canada. Anyone who cares about maintaining healthy ecosystems for future generations must by extension care about endangered species.

In Canada, known throughout the world for the richness of our wilderness areas, the preservation of our animals, birds and plant life is akin to the preservation of our national identity. We have a tendency to think that species extinction is someone else's problem. However, the truth is that since the arrival of Europeans, at least eight of our distinct animal species and at least one population of caribou have become extinct.

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More than 105 species, subspecies or populations of plants and animals are listed as threatened or endangered and more than 111 are considered vulnerable. It is our problem too. We can count ourselves very fortunate to have not only the hon. member for Davenport working on the problem but also the Minister of the Environment.

In the modern world, species extinction is alarming not because it happens but because of why it happens and the rate at which it happens. In the days of the dinosaurs species disappeared at the rate of roughly one every thousand years. By the Middle Ages extinction rates began to accelerate rapidly because of increasing human intervention in the environment. Between 1600 and 1900, as human beings learned to kill more and more efficiently, species were lost at a rate of one every four years. In the years between 1900 and 1975 the disappearance rate climbed to about one species per year. Today biologists estimate human beings destroy from one to three species per day. Some predict that by the end of the century the rate will have accelerated to one per hour and that up to 15 per cent of all species now on earth will be gone.

Protecting the species that are threatened today entails far more than merely restricting hunting and trapping. In our modern, industrialized world habitat destruction and environmental contamination are the most hazardous perils to our endangered species.

● (1815)

Each of them is far more deadly and more subtle than the gun or trap and far more difficult to control. Canada's wildlife habitats are vanishing very quickly.

Millions of hectares of marshes, swamps and other wetlands which are extremely important for waterfowl and as breeding grounds for fish have already been destroyed.

In the interests of what we thought was progress they have been drained or filled in for highways, airports, housing and industrial complexes. They have been absorbed by expanding farmlands and flooded behind large power dams. Forests have been cleared and grasslands have been fenced off, ploughed under or paved over.

Too many of Canada's wetlands have already been lost. Up to 71 per cent of prairie wetlands have been degraded by agricultural practices. In southern Ontario over 70 per cent of wetlands have been lost. The problem of wetlands is particularly serious. A dramatic decline in the waterfowl population is taking place.

Canada's modern lifestyle with its heavy dependence on industrial, household and agricultural chemicals also poses a serious risk to endangered species. Modern society puts species in jeopardy in many ways. Acid rain can kill pond and other aquatic life and has a negative effect on soils and forest growth. Unless it is stopped it is quite possible acid precipitation will begin to take a toll on endangered species.

Some wildlife biologists already believe that acid rain is at least a partial culprit in the population declines of some species of waterfowl and amphibians.

Although the environment minister has proposed draft legislation in this field, it is important to note Canada does not yet have a national endangered species act. Legislation is in force in only four provinces.

Unfortunately endangered animals, birds and plants do not recognize provincial or even international boundaries. For this reason it is imperative that Canada have a federal presence in this area.

In terms of our international commitments Canada must have clear, strong legislation protecting and rehabilitating our endangered and threatened species.

As my hon. friend said before, Canada's responsibility goes back to the UN Conference on Sustainable Development and the Environment in Rio in 1992. Canada was among if not the first nation to sign the convention on biodiversity when delegates of some 150 nations arrived at a consensus on what needs to be done. We can be proud of this but we can be even more proud once we have adopted strong legislation backing up our commitment.

I thank the hon. member for Davenport for his unflagging devotion to the cause of protecting our vulnerable wildlife. I also commend both the member and the Minister of the Environment for joining forces to ensure that strong law protecting threatened species and their habitats becomes a reality.

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, it is a pleasure to join in the debate on this bill.

Our colleague from Davenport has worked his whole career in the area of environmental sustainability and environmental support. I am pleased to support him in the efforts he brings to the House to help us understand and continue with his striving to support the environment and in this case endangered species in Canada.

● (1820)

One of my favourite things to do in my riding of Brant is to go into the schools, public schools or high schools. Without a doubt in every circumstance the issue of the environment is always raised.

When I think back to my days as a young student it was never a top of the mind subject. We truly have come a long way in terms of appreciating and understanding the importance of our environment and the role it plays in the lives of our young people. I am so glad to see the changing attitudes of Canadians toward our environment, toward the importance of sustainability.

In my riding I have the great fortune to live on a farm. My family has been there for five generations. One of the things we enjoy doing every Sunday if possible is walking through the fields along the railway tracks, through the wooded areas and looking at the wildlife. We see red foxes, racoons, deer. We look at the flora and every spring we wait to see the blooming trilliums and the may-apples. It has become a tradition in our family that we pass along from generation to generation. It is one of my favourite things to do with my two sons on a Sunday afternoon.

At the schools the children always ask me what the government is doing about the environment. I am always very pleased to explain to them that our Deputy Prime Minister also has the responsibility for the environment and that she is taking very assertive and definite approaches to making sure the things that have become very much a part of our country remain in our country.

I was shocked to find out as I was preparing for this discussion that there are 244 endangered species in Canada alone, 244 endangered, threatened or vulnerable species. Knowing that, we can understand why the hon. member for Davenport feels so strongly about the importance of this legislation.

I am not sure this is true but as I look at information I see nine extinct species, things in my lifetime I will never see. A further 11 species used to exist in Canada but are now extinct. The importance of preparing to maintain and protect our fragile environment is something that has to be critical to all of us.

I am very proud of a project undertaken by a number of groups in my riding, the Brant Waterways Foundation, the Grand River Conservation Authority and the Grand River Trails Association. They came together in partnership with the federal government through the environmental partners program to develop the Brantford environmental education project. Along the Grand River, now a heritage river, we have created walkways, bike paths and trails that all can enjoy.

The thing that is so important in this regard is along the shores of the Grand River are Carolinian forests, themselves an endangered and rare set of flora and fauna. We are very lucky in our community to have them as part of our surrounding environment, something we can enjoy with ease. We are also lucky to have organizations in Brant that are conscious of how fragile this great resource is.

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Coming together and with the support of the federal government we have protected that in a way that people can enjoy it. It is not for the people of Brant only. I encourage members of the House and Canadians from across the country to come and join with us.

At our local level we have a consciousness, an awareness of the importance of the environment. I am glad that will continue. However, when we look at the rest of the country it is interesting to note that only in Manitoba, Ontario, Quebec and New Brunswick is there legislation to protect our flora and fauna. Again, this is another reason why I would congratulate the member for Davenport for bringing this legislation forward.

• (1825)

The federal government can play a real role in ensuring that our natural heritage remains with us. It will not be a role that is interventionist or that gets in the way of what the provinces want to do. Rather it is one that will co-ordinate activities, that will add to that which we already have, that will make sure the Canadian citizenry understands the importance and has access to our environment.

We know from looking at things that have taken place in the past, and I have to reference the Canada Health Act, that very often it is promises that start with good pieces of legislation. However, it may be very slow to evolve across the country. That is where a strong federal government can play a role.

I make that relationship with this particular piece of legislation and say there is a role for us to play at the federal level to ensure that Canada from coast to coast to coast maintains what has become world renowned in natural beauty, natural strength, natural resources and natural heritage.

I am pleased to be part of the debate. I know people back in my riding who are so sensitive and appreciative of the issues of the environment will also be glad to know that the government is sponsoring this kind of legislation.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, it is my privilege to speak to Bill C-275.

I congratulate the hon. member for Davenport on this bill and also the Minister of the Environment and her parliamentary secretary for the work they are doing on this very important topic. It is very important to take the initiatives of these people and work with them. We owe our children and our children's children our prompt attention to this very important endangered species Act.

This past year I attended two open houses at the Body Shop, one in Kingston, Ontario and one in Belleville, Ontario. This respectable company had a great display set up with everything from colouring contests to T-shirts and it encourages children to take part. It has done a great job of making people aware of endangered species around the world.

Adjournment Debate

I am sure if we looked at the bottom line of the Body Shop stores across Canada and talked to the individual owners, we would find that their number one customers are the teenagers and the youth of today. Our daughter is one of those customers. I commend our youth. They understand the importance of our environment.

We are very fortunate that our children, including my daughter, Kayla Rebecca, have developed this great love for country, love for the environment and for our wildlife. I realize that we do not have to go to the Body Shop to be reminded of their interest.

My colleague previously mentioned visiting schools. I also want to mention this. I was on a local school board a few years ago when we started up a community school and we now have a day care situated across the road from our home. I visit schools and day cares. Posters are plastered on the walls. It does not matter what topic is displayed, sports or the environment, we see birds and other species depicted on the posters for any topic. Our youth are very aware.

We all agree that the greatest asset of our country is our youth. We are very fortunate. They are very wise in their respect of the planet, our country, our lands and our waterways. Therefore, we owe our children attention to this now.

My riding of Hastings—Frontenac—Lennox and Addington extends from the Thousand Islands, which we are glad to share with my colleague for Kingston and the Islands. Then it circles around and goes to the Bay of Quinte, the walleye capital of the world. That is where we had the live release tournament this year, the largest walleye tournament in North America with 7,000 to 8,000 fisherpeople, but they released all the fish and it made our children very happy.

• (1830)

I drive from my office in Napanee to Bancroft and on up to Algonquin Park. My riding touches quite a bit of Algonquin Park. Quite often I see wildlife. It is a real thrill.

The other day I was in Algonquin Park for the Art in the Park show. My wife and daughter were with me. We were driving along and a tour bus and cars were stopped. People were having the thrill of a lifetime because there was a bear in the bush. The bear was playing up for the public. The bear was standing there scratching on the trees and foraging a bit. It certainly reminds us of what we would lose and what we do lose any time we lose one species.

Someone else mentioned that when I went to school we did not pay all this attention to the environment. No, we did not but perhaps it was being introduced into our subconscious minds. One of the highlights in public school was arbour day, when we went out and planted trees. Over a few years we did plant a few thousand trees and made a small contribution. I am sure I have driven by some of those areas. The trees are tall now because that was a while ago. Trees are very important; they provide a natural habitat for birds.

When I went to school we did not have respect for the wetlands, I admit. Today our children are more curious and more in love with all of these endangered species.

What do we do? Where do we go from here? We have all heard that there is no national law to protect them. Some of the provinces have laws. I am glad to see that the federal government and Environment Canada are going to work with the provinces on this. They are going to work with different stakeholders, groups, provinces, territories, aboriginal groups and wildlife management boards.

We can learn a lot from the aboriginal groups, from the natives in our communities. Someone listening to me is going to say: "Yes, I heard about some natives that went out during the fish spawning season and speared a whole lot of fish". Yes, there are bad apples in every barrel, but I will tell you our native populations live in harmony with this country. There is much we can learn from them. They have always practised conservation.

When you tap any natural resource you leave some for seed. My uncle was a trapper many years ago, a colourful character. He made a lot of money some years trapping beaver. One day I was with him and I used an axe to cut through two and a half feet of ice on the river behind our home. He set the trap and took out a very nice beaver, but he said that was it. I went with him the next day and he said: "We will not set any more traps here. We have to leave some for the future".

I will conclude by saying I really appreciate the opportunity for me and other people to speak on this. I want to acknowledge that our youth will lead the way. They remind us every day and every weekend at home.

[Translation]

The Speaker: My colleagues, the hour provided for consideration of Private Members' Business has now expired.

[English]

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CLIMATE CHANGE

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, on September 21 I asked the Minister of the Environment what measures the government was taking to counter the human causes of climate change. In the meantime, a draft report by the United Nations panel on climate change has been published citing human activity as the contributing factor to climate change. In addition, there has been an Environment Canada

report citing increasing summer temperatures in the last 10 years.

• (1835)

What is the cause of climate change? Briefly, it is caused by an envelope in the atmosphere which is created by the burning of fossil fuels on our part as a society, beginning with the industrial revolution 150 years ago.

What are the effects of this envelope? This envelope does not allow solar rays deflected once they touch the earth's surface to re-enter the atmosphere. Thus, the greenhouse effect is gradually formed. In other words, the effect of solar rays as deflected by the earth's surface is no longer the same as in the past. They are contained by the greenhouse gases envelope.

What is the main problem at the base of this? In essence, it is our dependence on fossil fuels, coal and gasoline, but also the emission of methane gases in our dump sites and the production of other gases that are mostly correlated to human activities or the necessities of agriculture and the like.

Next month the international panel on climate change will meet and likely approve a draft report which will mark a major turning point in the climate change debate.

Until now some members of the scientific community believe that the rising temperatures since the beginning of the industrial revolution could be attributed to at least in good part a variability in climate rather than the result of human activity. With this draft, the scientific panel will likely state and confirm that climate change is taking place as a result of human activity. Hence the adoption of this report by the international panel on climate change would result in an authoritative confirmation that global warming is posing a threat.

Some have suggested that the effects of climate change may actually be advantageous to Canada. These assumptions are now being refuted.

The report I am referring to predicts the changes associated with climate change are likely to have a negative impact not only on human health but on other human activities such as agriculture, forestry and the like.

The consequences are far reaching in economic and social terms. These are again explored in the panel's draft report as discussed last week in Montreal. The first attempt to assess the social and economic impact of climate change is the one that took place in Montreal.

I would appreciate very much a reply by the parliamentary secretary to this issue which, although stretched into the long term, is going to be of significant importance for the human family the globe over.

Adjournment Debate

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member for Davenport raised an important issue when he asked this question of the Minister of the Environment a month ago. He of course based it on an editorial in the *Globe and Mail*. I want to refer to that which was on the subject of the need to take action on climate change. It was published shortly before the hon. member asked his question.

The editorial makes some good points about voluntary approaches and the need to adapt to a rapidly changing climate. These clearly are not enough to deal with the problem. After all, the evidence that our climate may be changing at an unprecedented rate is rolling in on a daily basis as the hon. member has indicated.

In Canada, the summer of 1995 was the third warmest in a century. The year 1995 was the second worst year in history for forest fires. Record rains have hit Alberta and five early season tropical storms hit parts of the Atlantic provinces.

This year is shaping up as the earth's warmest year on record. It is also a preview of what we can expect in the future. Scientists are concluding that recent data constitute growing statistical evidence that their previous predictions of climate change are being borne out.

Therefore, in calling for voluntary reductions of emissions of greenhouse gases the *Globe and Mail* is heading in the right direction. After all, the *Globe and Mail* would have us recognize that the costs of climate change are also rapidly rising. Damages from the Alberta floods in June exceeded \$50 million. Heat and humidity helped fuel one of Ontario's most destructive storms, causing \$20 million in property losses and firefighting costs associated with the loss of nearly seven million hectares of forest across Canada.

By reducing our emissions of greenhouse gases we will reduce the threat and costs of climate change and at the same time create jobs and become more competitive economically. I am quite sure that as Canada's business leaders continue to respond to the economic opportunity associated with reducing energy consumption, thereby reducing emissions of greenhouse gases, the *Globe and Mail* will take another step in the right direction and agree that the goals contained in Canada's national action program on climate change must be met. We must stabilize our emissions of greenhouse gases at 1990 levels by the year 2000 and address further reductions over the longer term. Meeting such a goal will require that we take a mix of approaches, voluntary measures wherever possible and market based or regulatory measures where appropriate.

As my time has run out, I conclude my remarks.

The Speaker: Colleagues, pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.41 p.m.)

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