



CANADA

# House of Commons Debates

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VOLUME 134 • NUMBER 103 • 2nd SESSION • 35th PARLIAMENT

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, November 20, 1996**

**Speaker: The Honourable Gilbert Parent**

## CONTENTS

(Table of Contents appears at back of this issue.)

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# HOUSE OF COMMONS

Wednesday, November 20, 1996

The House met at 2 p.m.

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*Prayers*

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**The Speaker:** As is our practice on Wednesdays, we will now sing O Canada, which will be led by the hon. member for Madawaska—Victoria.

*[Editor's Note: Whereupon members sang the national anthem.]*

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## STATEMENTS BY MEMBERS

*[English]*

### CRIME PREVENTION

**Mr. Andrew Telegdi (Waterloo, Lib.):** Mr. Speaker, last Thursday the Waterloo Region Community Safety and Crime Prevention Council released its report on making Waterloo region a safer and more secure community. The report is the result of 14 months of hard work by over 80 members of the task force who represent a cross-section of my community.

The report states that crime prevention is everyone's concern and challenges the community to imagine a community in which all members can be safe and feel safe. The report notes that while Waterloo region has a low relative crime rate, residents have an increased fear of crime.

The 50 recommendations of the report challenge the community to fight crime and be involved in crime prevention by dealing with the root causes of crime. The report notes that the offender of tomorrow is the vulnerable child of today, and that physically abused children are five times more likely to be violent adults.

I salute the council for its valuable work. It will help in maintaining Waterloo region as one of the safest and most secure communities in Canada.

*[Translation]*

### MINING INDUSTRY

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, the mining industry plays an important role, not only in my riding of Abitibi, but also in the whole economy of Quebec and Canada. I am pleased to welcome the delegates of this industry, who are here in Ottawa on the lobbying day of the campaign to support the mining industry.

This industry unquestionably plays a key role in Quebec. It employs over 17,500 people, pays \$889 million in salaries, and generates over \$3 billion in mining shipments.

The scheduled meetings with members of Parliament will provide these delegates with an opportunity to clearly state their needs regarding the regulatory reform that is required to promote investments in the mining sector. So far, the federal government has made nice promises, but taken little concrete action. I hope the representations made by industry officials will prompt the government to quickly take action.

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*[English]*

### MINING

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Mr. Speaker, today I welcome the Keep Mining in Canada group to Ottawa. Today has also been declared National Day of the Child.

Some of the most important factors in a child's life are: whether their parents have a well paying job; whether children grow up in a stable community with adequate health care and education; and whether they can look forward to getting a good job when they finish school. Keeping the successful mining industry flourishing in Canada will help provide all those things: good jobs for today and tomorrow; a sound tax base to pay for hospitals and schools; and stable communities, especially across rural Canada.

Therefore, I urge the government to deliver quickly on its many promises to streamline environmental regulations and other red tape which affects mining. If mining industry dollars are to remain in Canada, this government needs a fresh start to convince international investors that Canada once again wants mining jobs with their many spin-offs that benefit every sector of this nation's economy.

*S. O. 31*

**DR. HERB DICKIESON**

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, the federal NDP caucus is pleased to congratulate Dr. Herb Dickieson, the leader of the Prince Edward Island New Democrats. On Monday Dr. Herb became the first New Democrat to be elected in P.E.I. We are confident that his presence in the legislature will make a big difference for the people of P.E.I. I first met Dr. Dickieson when I spoke at his nomination meeting in 1995 and sensed at that time that he was going to make history for the NDP.

Atlantic Canadians have demonstrated they are sick of having their votes taken for granted by the Liberal Party as they receive bash after bash from Liberal policies. The federal Liberals will experience a similar fate in Atlantic Canada when the next federal election rolls around. Atlantic Canada is not a Liberal colony but a free and democratic region of Canada where real political choices are available and real political choices are embraced.

With Alexa McDonough as our leader, the choice for many Atlantic Canadians in the next federal election will be the NDP.

\* \* \*

**MINING**

**Mr. Raymond Bonin (Nickel Belt, Lib.):** Mr. Speaker, over the last decade the Canadian mining industry has become an example to the world in making sustainable development an essential part of its activities.

The Mining Association of Canada was the first mining body in the world to develop a national environmental policy based on the concept of sustainable development. In addition, Canadian mining companies spend hundreds of millions of dollars on environmental related projects, more than \$300 million in 1993 alone.

● (1405)

One key example of the mining industry's commitment to the environment is its accelerated reduction and elimination of toxics program. Already Canadian mining companies have come close to meeting their emission reduction targets for the year 2000. This is almost five years ahead of schedule.

On behalf of all members of the House, I congratulate the Mining Association of Canada and its member companies on this outstanding achievement. I encourage them to expand upon their commitment to sustainable development with new and innovative initiatives.

[Translation]

**MINERAL AND METAL POLICY**

**Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.):** Mr. Speaker, I would be remiss if I did not take this opportunity to tell you about the government's new policy on minerals and metals, and the renewal of the federation.

[English]

This government is committed to a flexible and dynamic approach to federalism. The new minerals and metals policy is based on a fundamental recognition by this government of provincial ownership and management of mineral resources. The policy describes a sharply focused role for the government in minerals and metals that is tied to core federal responsibilities such as international trade and investment, science and technology and aboriginal affairs. Through the policy the government commits itself to building effective and durable partnerships with the provinces and territories.

[Translation]

By promoting the establishment of partnerships, the new policy on minerals and metals will help renew the federation and make sure the industry continues to make a major contribution to the economic and social well-being of Canadians, right into the 21st century.

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[English]

**MINING**

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Mr. Speaker, I rise today to inform the House of the fourth annual Canada Forum and Canadian Aboriginal Minerals Association joint conference which is taking place today in the gateway to the west, the wonderful city of Thunder Bay.

The conference, sponsored by Placer Dome Canada and Inco Ltd. among others, will focus on maintaining a mutually beneficial relationship between mining companies and aboriginal communities. It demonstrates the willingness of these two communities to share in the economic and employment opportunities offered by Canada's mineral resources while simultaneously respecting our environment.

This event truly demonstrates how different stakeholders can work together effectively to their mutual benefit and to the benefit of the Canadian economy. I commend the conference organizers and participants for setting such an excellent example for all Canadian industries.

*S. O. 31*

[Translation]

**NATIONAL CHILD DAY**

**Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ):** Mr. Speaker, today marks the fourth anniversary of National Child Day. This day was proclaimed by the Canadian government to recognize two initiatives taken by the United Nations: the 1959 Declaration of the Rights of the Child and the 1989 Convention on the Rights of the Child.

I have the honour of being the grandmother of two. I feel it is essential to tell our children that our future is their future since, some day, they will take over from us.

In Canada, one child out of five lives in poverty. This day reminds us that we have a lot of work to do to ensure a better future for these children.

We are overjoyed by the energy and the spontaneous love displayed by our children. Today, we are telling them that we love them.

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[English]

**CANADIAN AIRLINES**

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, today the Minister of Transportation and the Prime Minister will attend the opening of a new power plant in British Columbia. They think that because this government has provided \$30 million to this plant it will deflect some of the criticism they have received for giving \$87 million to Bombardier while refusing to provide support to Canadian Airlines.

There has been a total of \$117 million in giveaways. No wonder Canadian Airlines employees feel there is a double standard.

If Canadian Airlines fails, it will cost the taxpayers almost \$1 billion. It appears that the Liberal government would rather see Canadian fail than reduce some of the taxes that are bleeding the company dry.

The solution to saving Canadian Airlines and thousands of other businesses is simple: bring government spending under control, balance the budget, reduce taxes, and let companies remain profitable so their workers can keep their jobs.

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**QUEBEC LANGUAGE POLICY**

**Hon. Sheila Finestone (Mount Royal, Lib.):** Mr. Speaker, the new restrictive language policy unveiled by the Quebec government last week is shocking and counterproductive to say the very least.

The Parti Québécois in its attempt to appease party hard liners before its policy convention this weekend has come out with a frontal attack on the rights of the English minority in Quebec, making access to services in their own language more difficult.

• (1410)

This exclusion act can only exacerbate tensions, erode social cohesion and heighten differences between Quebecers. This narrow minded policy comes at a time when the Quebec government is trying to polish its image by promoting the province as a tolerant and open society in order to attract foreign investment.

The rights and freedoms of all Quebecers should not be held hostage by the governing party in its appeasement of some of its rank and file ideologues. It is obvious that the spirit of Centaur needs to be revived. Please try to live it at the convention. Show openness to diversity, for these acts do not reflect the Quebec society that we love.

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**NATIONAL CHILD DAY**

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, today is National Child Day. It is a day to recognize the importance of children in our lives and to celebrate their accomplishments.

This morning I had the honour of presenting the “You Made a Difference” award to four distinguished youths who unselfishly risked their lives to save the lives of others. Mark Zuccala, Mike Nicolitsis and Kevin Albert were recognized for rescuing three young children trapped in an automobile. Another true hero, six-year old Christopher Ings sustained injuries himself as he attempted to protect these small children with his own little body.

The actions of these kids is truly remarkable. On behalf of my colleagues I would like to thank and congratulate them on a job very well done.

I would also like to thank Janis Machin and Bernard Muzeen of Our Kids Foundation who played a key role in establishing National Child Day and who continue to work tirelessly on behalf of Canada’s children.

I invite all Canadians to join in celebrating National Child Day. Please make it a very special and memorable day. And for those who are celebrating their birthday today, Happy Birthday.

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[Translation]

**INTERNATIONAL DAY OF THE CHILD**

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Mr. Speaker, today is the International Day of the Child. Since it was elected, our government has taken a number of concrete measures to improve the quality of life of our children and our families.

*S. O. 31*

These measures have included, for instance, establishing the prenatal nutrition program, proposals for changes in the system for collecting support payments, an increase in the maximum annual contribution to the registered education savings plan, and so forth.

At its biennial convention, our party also adopted a number of high priority resolutions in which we made a commitment to fight child poverty and do everything that is necessary to put an end to the exploitation of children.

Our party and our government are already committed to this cause, and our work will not cease until all children will be able to enjoy freely the days of their childhood.

\* \* \*

**FREE TRADE**

**Mr. Benoît Sauvageau (Terrebonne, BQ):** Mr. Speaker, when they came to power, the federal Liberals suddenly became proponents of free trade, a position which has always been defended by the sovereignist movement.

Last summer, Canada signed a free trade agreement with the state of Israel. Trade between Israel and Canada is worth about \$450 million annually.

This week, Canada signed a free trade agreement with Chile. In 1995, trade between the two countries was worth \$666 million.

In light of these agreements, we conclude that the Canadian government should have no reservations about reaching an agreement with a country with which trade is worth more than \$60 billion annually, while also helping to maintain of 800,000 direct jobs.

Therefore, we have every reason to believe that a sovereign Quebec will be one of Canada's trading partners par excellence.

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*[English]***NATIONAL CHILD DAY**

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, the best interests of children should be a benchmark against which government policies are measured. There is no better way to ensure the well-being of children than to make families a priority in our society and in our decision making starting right here in the House, this home of Canadian values, if you will.

Today is National Child Day. I remind this House that in 1989 the United Nations passed the convention of the child which gave children around the world access to their families. Canada recognized that convention in 1991, so why do Canadian children not have access to their families?

The best interests of children reside in the family. The first step was taken in October when the House supported my motion to recognize the family as a building block of society and then unanimously agreed to protect and enhance family interests.

Now is the time for the government to fulfil this commitment on behalf of children, to commit to a fresh start for children. Surely on National Child Day it is not only time to acknowledge each child's right to his or her family, including grandparents, but also time to act on it.

\* \* \*

● (1415)

**NATIONAL CHILD DAY**

**Ms. Beth Phinney (Hamilton Mountain, Lib.):** Mr. Speaker, I too wish to comment on this the fourth anniversary of National Child Day.

National Child Day was designated to commemorate two historic United Nations events: the adoption of the Declaration of the Rights of the Child in 1959, and the adoption of the Convention on the Rights of the Child in 1989.

This convention, ratified by Canada in 1991, is aimed at ensuring the survival, protection and development of children. It provides a framework to value and respect children and youth as full-fledged human beings. The convention addresses many aspects of the lives of children and youth: proper nutrition; access to health care and education; protection from exploitation and abuse; and the right to express their opinions and to participate in matters that affect them.

Children are our future. As a society we must do everything we can to ensure their happiness, their good health and their ability to lead full and productive lives.

I call on all members of the House to join in the celebration of National Child Day.

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*[Translation]***ENVIRONMENTAL ASSESSMENT**

**Mr. Nick Discepola (Vaudreuil, Lib.):** Mr. Speaker, our major newspapers reported today that federal and provincial environment ministers are expected to sign an agreement very shortly on environmental assessment.

Under this national agreement on environmental harmonization, the Canadian government will transfer major responsibilities to provinces.

This agreement, which was the subject of arduous negotiations during the past two years, is especially important because it will help improve environmental protection while eliminating duplication and jurisdictional conflicts.

*Oral Questions*

In the throne speech in February, our Prime Minister launched an appeal to all Canadians to work together to protect the environment. This agreement is the appropriate response to this appeal and is a reflection of the many agreements concluded between our government and provincial governments to make our Canadian federation more efficient.

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## ORAL QUESTION PERIOD

[Translation]

### TAXATION

**Mr. Michel Gauthier (Leader of the Opposition, BQ):** Mr. Speaker, yesterday the Bloc Québécois released its analysis of the federal government's corporate tax expenditures. Of the \$9 billion to \$10 billion the federal government sacrifices annually in taxes not collected from major corporations, primarily, we estimate that the Minister of Finance could easily recover some \$3 billion to be used in promoting job creation.

With the government going after the unemployed, cutting transfers for social assistance, transfers for health care and transfers for post-secondary education, how can the Minister of Finance justify still failing, after three years in power, to systematically evaluate all corporate tax expenditures, which have not been reviewed in years, and keeping them as they stand.

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, the Bloc Québécois tabled a sober report yesterday. I consider it a very professional one. I thank the Leader of the Opposition and the members here for their work.

There are many things in the report we agree with. They are either things we are looking at or things that we are in fact currently working on. There is certainly material for debate, and this is a good start.

To my understanding, in response to the Leader of the Opposition's specific question, it is not \$3 billion that we can recover, if I understand the report correctly, but \$3 billion that can be put into job creation, which is the very aim of the Mintz committee currently looking at the situation from the same point of view.

**Mr. Michel Gauthier (Leader of the Opposition, BQ):** Mr. Speaker, I in turn would thank the Minister of Finance for his objectivity in recognizing that the work of the Bloc represents a very substantial contribution to public finances. Certainly, it is the most substantial contribution made by an opposition party, especially in opposition.

• (1420)

Despite these kind words for my friend, I am nevertheless obliged to say to the Minister of Finance that he is hiding behind his committee because everyone knows the report will be released only next year, after the federal elections. People want to know now what the government will do.

Should the Minister of Finance, who seems to recognize reason, not make substantial changes in tax expenditures right now, as we are suggesting he do and use this money for other tax measures that would help create jobs in small and medium businesses, for example? That is what it means to be proactive in creating jobs. This is what the people are expecting and not getting from the government.

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, I received the report favourably first, because the reports of the Bloc Québécois have changed in the past three years. Second, I must say the quality of the report is very similar to what the Liberal Party submitted on the environment, the economy and other areas when it was in opposition.

That said, the aim is to ensure that the basic impact of government spending, be it tax credits, tax exemptions or other incentives is to promote job creation. This has been our philosophy from the start. This is why we have eliminated a list of loopholes three pages long. These loopholes did not promote job creation. We are going to continue the job, I hope with the co-operation of the Bloc Québécois.

**Mr. Michel Gauthier (Leader of the Opposition, BQ):** Mr. Speaker, I have to say once again to the Minister of Finance that we will of course co-operate with him when he is reasonable. When he wants to save taxpayers' money, of course we will work with him. When he repents and finally is prepared to collect taxes from those who should be paying, of course we will co-operate and we will co-operate with him. He may rest assured, the Bloc will co-operate.

Since he is in good humour, I will go a step further. In our document, we established that a sample of 27 major Canadian corporations with profits of \$7 billion in 1994 paid income tax at a rate barely above 6.5 per cent, whereas the corporate rate is usually around 30 per cent.

This does not concern the minister of defence, so I would ask him to allow me to ask my question of his colleague.

**Mr. Loubier:** Let us ignore him in any case.

**Mr. Gauthier:** He is well versed in defence matters, but not in things financial, unfortunately. Can the Minister of Finance set up a mechanism guaranteeing Quebecers and Canadians that business and especially big business will pay the government the taxes it is supposed to within a reasonable period of time, while maintaining intact the concept of deferred income tax? Some simple adjustments need be made. We would like to know from the Minister of Finance whether he would agree to act quickly in this matter as the Bloc asks him to?

*Oral Questions*

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, as regards deferred taxes, I think the Leader of the Opposition is going a bit beyond his report, which was more subtle. In the report, the Bloc acknowledged there were advantages to having taxes deferred. This is our position exactly.

On the other hand, this is why there is a tax on major corporations. We want to be sure they pay their fair share, and this is the case.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I too will have to accept the congratulations of the Minister of Finance. It must, however, be admitted that the official opposition does some good, as the minister admitted today.

But enough polite remarks directed at the Minister of Finance, for I have no congratulations for him. With all the resources at the disposal of the finance department, he could, in three years, have conducted the same in-depth study done by the Bloc Quebecois with its meagre resources and realized that he was wasting \$3 billion a year in tax revenue.

**Some hon. members:** Hear, hear.

• (1425)

**Mr. Loubier:** Speaking of deferred taxes, when the auditor at Consolidated Bathurst was asked “When will you pay your company’s deferred taxes?”, he replied “Never”. Right now, deferred and accumulated taxes represent a total of \$36 billion, 5 per cent of the Canadian GDP, and nobody in the finance department, starting with the minister himself, seems to be concerned.

Given the size of this tax expenditure and its unwarranted use by certain large corporations that are making a profit, will the Minister of Finance not admit that he should immediately issue rules so that one day these corporations will pay their fair share?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, unfortunately the finance critic for the Bloc Quebecois is raising his voice; gone are the measured and professional tones of yesterday. In addition, he is also misrepresenting the report.

I can tell you that as far as the notion of deferred taxes is concerned, we have looked, and will continue to look, for loopholes.

I would just like to quote one other person with almost the same philosophy: “As for taxing corporations more directly, as recommended by the Bloc Quebecois’s finance critic, this cuts their profits, reduces their interest in investing and results in fewer jobs. Furthermore, the higher Quebec’s tax burden, the less foreign companies will be interested in investing in that province and creating jobs there”. This statement was made by Bernard Landry, Quebec’s finance minister. He is right, and the Bloc Quebecois’s finance critic is wrong.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the finance minister is taking the Canadian public for a ride. What we are saying in our document is that the majority of Canadian SMEs are paying their fair share of taxes. But a few are taking advantage of tax loopholes, with the knowledge of the Minister of Finance, to avoid paying taxes.

We humbly ask him this: Will he, or will he not, assume his responsibilities and demonstrate professionalism as Minister of Finance, by looking out for the interests of all Canadian taxpayers, and not just those of large Canadian corporations?

[*English*]

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, there are times when debate in this House takes on a form that does Canadians proud, particularly when we deal with issues in a fundamental and profound way.

No doubt the question of taxation, which is in constant evolution, is something that should not lend itself to partisan speeches, but should lend itself to real study.

Under those circumstances I did say to the Bloc Quebecois that their report which came out yesterday will make a valuable addition to the debate, as did a great number of the reports done by the Liberals in opposition help advance the yardstick.

All I would suggest to the Leader of the Opposition is that he ask his members to continue in the same vein, so that the debate can be responsible, can advance the yardstick and not simply play politics with a very important subject.

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**BOMBARDIER**

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, the Prime Minister is in British Columbia today to hand over \$30 million to Ballard Power Systems in the hope that western Canadians will forget about the \$87 million he gave to Bombardier.

It will take more than \$30 million to even the score. Bombardier has just received an untendered contract from the Department of National Defence worth over \$216 million.

Does the government really think that a \$30 million grant in British Columbia will hide the fact that it gave another \$216 million to Bombardier for the CF-18 maintenance contract?

**Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I am astounded at my hon. friend’s question.

I would think the announcement that he alluded to which is to be made today or tomorrow by the Prime Minister respecting an investment in western Canada is one that would be welcomed by many people.



*Oral Questions*

• (1430)

What I am really concerned about is the tremendous effort we have become involved in to make sure that facilities in western Canada are used in new and innovative ways, in new partnerships with the private sector and with our allies in western Europe.

If the hon. gentleman is suggesting that we should not pursue the air training program for western Canada I wish he would say so.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I thank the minister very much but he did not answer the question. This \$216 million to Bombardier is for the CF-18 maintenance contract.

On October 31, 1986 Brian Mulroney gave this very same contract to Bombardier even though Bristol Aerospace of Winnipeg had the best bid. In opposition these very same Liberals cried blue murder over that contract. Now that they are in power, the Liberals have done exactly what the Tories did.

How can the Liberals justify giving this lucrative \$216 million contract to Bombardier without tender? Even the Tories tendered the contract before they rigged it.

**Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I want to make sure because the hon. member and members of his party have been very careful and responsible in dealing with a number of issues that relate to the military elements we have to deal with at this time.

I want to make sure I understand what the hon. member is saying. Is he saying that he wishes to begin again the process of trying to determine how we can strike a deal with our allies from western Europe who require training facilities in Canada? Does he want us to start from scratch when we are into a tough competition with other parts of the world to get the very same contract?

My information is that people in western Canada hope we can conclude this deal. Our allies hope we can conclude this deal. What is good for western Canada is very good for the military forces of this country. It is also very good for Bombardier which not only operates in Quebec, as the hon. member seems to think, but also in many other parts of the country with which he may not be familiar.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, the minister's answers are very interesting.

In opposition the Liberals called the CF-18 contract "blatant political pork barrelling that went completely against the merit principle and the bidding process". In 1986 the current Minister of Foreign Affairs accused the government of saying one thing and doing another. It looks like the shoe is on the other foot now.

Why did the Liberals say one thing in opposition and do exactly the opposite when in power? Why did they give Bombardier the \$216 million untendered contract for CF-18 maintenance?

**Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the hon. member speaks about saying one thing and doing another.

He must at some point come to grips with whether or not his party is interested in creating jobs, with whether it is interested in protecting jobs, and it will have to decide where it wants those jobs.

The unfortunate situation here is that the hon. member and members of his party day after day in this House get up and say one thing, then turn around and ask the Minister of Finance or the Minister of Human Resources Development why we are not creating jobs in the country. Is the hon. member for or against jobs?

\* \* \*

[Translation]

#### QUEBEC REFERENDUM ACT

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

According to a Toronto morning newspaper, the federal government was to announce this week if it is going to intervene in the Libman case, in which the Quebec referendum act is being contested before the Supreme Court.

Can the Minister of Justice confirm to us that the federal government is seriously considering contesting the Quebec referendum act?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, we have no intention of taking part in the Libman case, because we are convinced that all points of view on the matter will be before the court.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, are we to conclude from this clear response by the Minister of Justice that the minister recognizes the full and total legitimacy of the Quebec referendum act, and consequently disapproves of the actions of certain of his colleagues who deliberately violated the referendum act during the last referendum in Quebec?

• (1435)

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Not in the least, Mr. Speaker. It is not our intention to take a position on the matters before the court. We have simply decided not to take part.

As I have said, the reason is clear. All points of view on these matters will be before the court. This is not, however, a federal government position which indicates our agreement with the act. It

*Oral Questions*

is merely a decision to not take part in the appeal before the Supreme Court of Canada.

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[English]

**TAXATION**

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, the Liberal government's policy of high taxes and big government means that more and more Canadian families need a second income just to make ends meet. The average Canadian family will have to pay \$27,000 this year in taxes alone. Too many Canadians are working for the government instead of their families.

My question is for the Minister of Finance. Reform will give Canadian families a \$2,000 tax break by the year 2000. What does the government have to offer to Canadian families?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, Reform will withdraw \$4 billion from the Canadian health and social transfer. We will not. We will protect the Canada Health Act. We will protect health care in this country. Reform will not.

Reform will gut equalization payments to those provinces which require them. What Reform is saying, according to its philosophy, is that there are families in Newfoundland and Saskatchewan who are not worthy of receiving government help. We do not believe that is the fabric of this country. It is not the philosophy on which this country was built.

I have a list of measures that the government has brought in to help Canadian families, to help Canadian children. Reform voted against every single one of them. Stand up and defend your record, not what you do in the future, but what you have done in the past.

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, may I say that the government has nothing to brag about with respect to transfers to the provinces.

Today is national child day. Reform's fresh start directly helps families and their children by reducing taxes dramatically. We will reduce taxes by 89 per cent for families with incomes of \$30,000 and free over one million Canadian families from the tax rolls altogether.

In recognition of the importance of our children, will the Liberals commit today to increase the spousal deduction and extend the child care deduction to all parents, including those who care for their children at home?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, perhaps the member of the Reform Party could explain, given her interest in child care, that when the government broadened the eligibility for the child care expense deduction and when we extended the age limit for children, why did Reform vote against it?

When the government increased the working income supplement for working families, why did Reform vote against it? When the government enriched the tax credit for infirm dependants, why did Reform vote against it? When the government improved child support awards, why did Reform vote against it? When the Minister of Justice brought in the new guidelines, why did Reform vote against it?

Why has Reform voted against every progressive piece of legislation brought by the government into the House to help Canadian families?

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

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

Yesterday, the minister announced on behalf of the government—for the second time, given that the Minister of Finance had made the same announcement earlier—a five cent reduction in unemployment insurance premiums. Perhaps he thinks that by announcing a five cent reduction twice, people will think the total reduction will be ten cents. But no, five cents it is. In fact, he is maintaining the special deficit reduction tax on workers earning under \$39,000 and their employers.

● (1440)

How can the minister ignore the disastrous situation of the job market and be content with announcing marginal measures that will have very little effect on employment?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, first of all, I would suggest to the hon. member for Mercier that the announcement was not made twice; the Minister of Finance and I did it jointly, in front of the same cameras.

We did announce—and the Minister of Finance may want to comment on this later—a five cent reduction. For the third consecutive year, our government has reduced employment insurance premiums, which is absolutely remarkable since they had risen for years.

I would also submit to the hon. member for Mercier that another program, a program for small business, was announced yesterday. Some 900,000 eligible small businesses will not have to pay any employment insurance premiums on behalf of new employees in 1997. This means that any small business in Canada that hires a new employee will not pay employment insurance premiums in 1997 and only 75 per cent of the premiums in 1998 for that employee. That is what we are doing to promote employment. That is what we announced yesterday.

*Oral Questions*

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, the same government will, for the first time, this coming January, impose a payroll tax on all the employers who hire part time employees working fewer than 15 hours per week.

Since premium rates represent in fact a tax on jobs—and we are not alone in thinking so—and since the employment insurance fund is forecast to grow from \$5 billion this year to \$10 billion next year, what is the minister waiting for to substantially reduce premium rates, as requested by the official opposition, the business community, and the Canadian Chamber of Commerce, instead of using the fund to artificially reduce the deficit?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, as the Minister of Human Resources Development just said—for the third time—we have reduced employment insurance premiums, after a decade of increases by the previous government.

To give you an idea of the philosophy behind this, I would like to quote the response of Quebec finance minister Bernard Landry to the same question. He said: “Pursuant to the commission’s regulations, but also in response to repeated requests from several socioeconomic partners, the government plans to lower payroll taxes. We will do this, however, with the expectation that real job creation will ensue”.

That is precisely why we have targeted small and medium size businesses, since they are responsible for the vast majority of new jobs created in Canada.

\* \* \*

[English]

**TAXATION**

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it has not even come into affect yet and already the harmonized GST is killing jobs in Atlantic Canada.

Today we learn that five Greenberg stores in New Brunswick are closing as a direct result of the harmonized GST. Seventy-nine people and their families will no longer receive a pay cheque. This company alone will lose \$695,000 in the first year and \$563,000 each year after because of this crazy deal.

I quote the president of the company: “Somebody needs to listen. These are real people in New Brunswick with real jobs that are going away”.

The Reform Party is listening. Why are Liberal MPs not listening?

My question is to the finance minister. Why is the government insisting on pushing through this insane legislation that is killing jobs in Atlantic Canada?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, far from insisting, what we are doing is co-operating with the provincial governments of New Brunswick, Nova Scotia and

Newfoundland whose major purpose is to make sure that employment is created in their own provinces. That is why the three premiers are going across Canada, across North America, explaining what has happened, the tremendous reduction in taxes for their small and medium size businesses.

• (1445)

That is not the issue. The real issue is why is this member of Parliament so against Atlantic Canada’s benefiting itself? Why is this member of Parliament so against small and medium size businesses in Atlantic Canada being able to compete? What kind of vision does the Reform Party have when it cannot understand the legitimate ambitions and desires of an important part of the country?

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it is amazing to me that the finance minister can be so callous about the loss of 79 jobs in Atlantic Canada. However, this is just the beginning. This one company alone says that at least another 71 jobs are on the line, and this comes after repeated warnings to the finance minister from the Canadian Real Estate Association, the Retail Council of Canada, the Halifax Chamber of Commerce and even Nova Scotia finance officials. They are saying that these changes will cost hundreds of millions of dollars and will kill even more jobs.

Will the finance minister please set his pride aside for a moment, for the sake of saving some jobs in Atlantic Canada, and kill this legislation before it kills even more jobs?

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, let us be very clear. The Reform Party recommended harmonization. The Reform Party at the finance committee came out full score in favour of harmonization. Why is the hon. member standing up here now and arguing against harmonization? There can be only one reason. It is an abysmal lack of knowledge of Atlantic Canada. It is the fact that he does not understand the ability and the desire of Atlantic Canadians to take control of their own future. That is the problem.

The Reform Party supported harmonization but it is against it for Atlantic Canada. What are its real motives?

\* \* \*

[Translation]

**SINGER COMPANY**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development.

Yesterday, the minister said, and I quote: “—we have been in touch with counsel for the retired Singer employees, and our lawyers are reviewing with them the implications of these contracts”.

Based on our information, it appears that, at the time the minister made this statement yesterday, no one from his department had yet

*Oral Questions*

contacted, either by telephone or by letter, the lawyers for the retired employees, or their spokesperson.

How can the minister state that his department is having discussions with the lawyers representing these retired employees when, according to them, they have not heard anything from the department?

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I was given information to the contrary. I was told that, by the end of the week, I would receive a report from our lawyers regarding this issue. I will be pleased to inform the hon. member accordingly.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, the excerpt I just quoted is taken directly from the *Hansard*. Those are the words said by the minister yesterday. He clearly told us that his lawyers had contacted those of Singer, which is not the case. I even phoned the lawyers for the retired employees 30 minutes ago, and they still have not heard anything.

I have some advice for the minister: if he wants his actions to reflect his words, he should immediately go to the telephone located in the lobby, contact Mr. Desautels and deal with the issue because the people involved have been waiting for years for a settlement. Mr. Desautels can be reached at (514) 948-1888.

**Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.):** Mr. Speaker, I said exactly the same thing a moment ago. I do not see why the hon. member claims I changed my tune since yesterday.

I said that I was told the department's lawyers had had discussions regarding this very important issue, which we care about. Following these discussions, they are to report to me by the end of the week. I will then be pleased to report to you, Mr. Speaker, and to the hon. member.

\* \* \*

[English]

**PUBLIC TRANSIT**

**Ms. Marlene Catterall (Ottawa West, Lib.):** Mr. Speaker, my question is for the Minister of Labour. Next Monday the national capital region faces a public transit strike that is going to cause chaos on the roads, disrupt the economy and hurt workers, students, the elderly and people with disabilities. Will the minister act to appoint a federal mediator to try to resolve this dispute and avoid a bus strike?

• (1450)

**Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, about two hours ago I received a request from the

company and the union to appoint a mediator. I will be appointing a mediator later this afternoon.

I have also been informed that negotiations with the new mediator can start early tomorrow morning. I urge both parties to take advantage of the mediator and get back to the negotiation table and solve this dispute so that citizens can have normal, good transportation service in the capital region.

\* \* \*

**TOBACCO LEGISLATION**

**Mr. Grant Hill (MacLeod, Ref.):** Mr. Speaker, the health minister with big fanfare said that there would be a big announcement made tomorrow at a national press conference.

Suddenly that national press conference has been cancelled. I would like to ask the minister why.

**Hon. David Dingwall (Minister of Health, Lib.):** Mr. Speaker, all the details are not finalized.

**Mr. Grant Hill (MacLeod, Ref.):** Mr. Speaker, the tobacco legislation has been long awaited. Too many kids have started smoking in the meantime. There is a vacuum. Reform has waited for that legislation and we are now ready to move.

The minister said: "Judge me by my legislation, not by my oration". Reform is ready. We will go through the legislation in a fast track. When can we expect it?

**Hon. David Dingwall (Minister of Health, Lib.):** Mr. Speaker, I want to say how pleased I am that the hon. member stood in his place and gave support to the government to bring in tobacco legislation.

However, I do wish to share with the hon. member and with members of the House that the hon. member did say that Reformers see the answer to reducing tobacco consumption in education, not in legislation.

If this is a change of the mindset of the Reform Party I want to say congratulations. I am glad it has seen the light.

\* \* \*

[Translation]

**MINING INDUSTRY**

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, my question is for the Minister of Natural Resources.

The mining industry in Canada and Quebec, like so many other industries, is still affected by overlap and duplication between the federal government and the provinces. In its throne speech, the Liberal government made a commitment to withdraw swiftly from this sector. But with the introduction yesterday of its policy on minerals and metals, the government has clearly reneged on its commitment.

*Oral Questions*

Why is it taking so long for the government to withdraw from the mining sector, as this contributes to greater uncertainty and reduces Canada's chances of attracting investments?

[English]

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, I thank the hon. member for his question.

We are a government that acknowledges that primary jurisdiction over mining rests with the provinces. However, we are also a government that acknowledges the increasing globalization of the mining industry and consequently there is a role for the federal government as it relates to the mining industry.

Industry respects that, most provinces and environmental stakeholders respect that position.

The issue of regulatory reform was specifically raised, avoiding regulatory overlap and duplication. I was very pleased to receive the final report of the Standing Committee on Natural Resources, of which the hon. member is a member. My department and I will be reviewing that report. The hon. member knows that we responded to the interim report. We are working with departments such as fisheries and oceans, my colleagues in the Department of the Environment, the Department of Transport and others.

Our goal is shared by the hon. member, to ensure an efficient regulatory regime for this important sector of our economy.

[Translation]

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, earlier this week, the Standing Committee on Natural Resources tabled a report supported by the Liberal majority, which calls for the elimination of overlap in mining regulations.

What is the minister waiting for to implement the recommendations of her own Liberal colleagues and meet her government's commitment to the mining industry?

[English]

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, let me reassure the hon. member that we are not waiting for anything. We have been working for the past number of months and in fact years with our colleagues in key departments such as fisheries and oceans, transport, environment. We have been working with the provinces to ensure that we have the necessary regulatory regime but one that does not contain within it expensive and inefficient overlap and duplication.

• (1455)

I must say that my department works closely with the province of Quebec and its mining department. We have a very positive relationship with my colleagues in the province of Quebec and we

will continue to build on that relationship to ensure the kind of regulatory regime in this country that will attract foreign investment and will attract jobs in the mining sector.

\* \* \*

**DISTINCT SOCIETY**

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, the intergovernmental affairs minister has announced that he will soon be off again trying to sell Canadians on the idea of entrenching the distinct society clause.

He must know that rather than drawing Canadians together with his efforts he is either unwittingly or otherwise actually playing the politics of division. People in Canada do not want this distinct society and they do not want it from coast to coast.

Given the recent poll results that show that even Liberals do not support the idea of distinct society, will the minister put concrete proposals on the table that benefit all provinces rather than pushing the distinct society clause when it has no receptive audience in Canada?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, today the support for the distinct society clause is about 40 per cent in polls. It is lower in this poll because it was connected with a kind of question that looks like a threat: "If you don't recognize Quebec, then Quebec may leave". Instead of increasing support, it decreased it.

I urge the hon. member to look at the recognition of Quebec on its own merit, why it is good, why it is bad. I think it is good. It is good for our country. It is good for Canadian values. It would not endanger the charter of rights and freedoms. It would not endanger equality between citizens. It would be a great thing to recognize Quebec distinctiveness as a fundamental characteristic of our country.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, this idea was wrong in the Meech Lake accord, it was wrong in the Charlottetown accord, it was wrong when the Prime Minister promised it last year, it was wrong when the government pushed it through the House of Commons, it was wrong when it was adopted as policy at the Liberal convention. The Tories of course followed suit but they just do not get it.

Canadians say realign the powers of the federation if need be, put other proposals that affect all the provinces on the table if need be; it is a good idea, but this distinct society idea is dead. It will not sell.

Will the minister put proposals on the table that treat all provinces and Canadians equally and that bring us together as a

*Point of Order*

country rather than pushing the distinct society clause which, I am warning him, is driving people apart?

**Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, one thing is clear. This government has said that we do not want to make a change in the Constitution if it is not supported by Canadians.

So we will try to convince Canadians that in order to reconcile Quebecers and other Canadians it would be a fair and good thing to recognize that in this anglophone North America there is a province of Canada that is francophone and this is an asset for Canada.

If it were the province of the hon. member that was francophone we would recognize this province without any problem and we would be proud of it.

\* \* \*

**MINING**

**Mr. Julian Reed (Halton—Peel, Lib.):** Mr. Speaker, my question is for the Minister of Natural Resources.

The Canadian mining industry contributes over \$23 billion to the Canadian economy annually and employs more than 340,000 people who work to develop our mineral resources in an environmentally sustainable manner.

The minerals and metals policy was announced yesterday. Can the minister please explain to the House how this new policy will affect economic growth and job creation in the Canadian mining industry?

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, as the hon. member knows, it was the Liberal Party and only the Liberal Party that during the last election campaign acknowledged the importance of the mining sector to the Canadian economy and promised a new minerals and metals policy within the federal government.

• (1500)

Yesterday it was with great pleasure that I announced this new minerals and metals policy. Let me reassure all my friends on the other side of the House that this policy delivers on an important red book commitment which is to affirm and reaffirm the primary role of the provinces as it relates to jurisdiction over mining.

In addition, it acknowledges the increasing globalization of this industry and the importance of ensuring that we continue to attract foreign investment, that we continue to have access to foreign markets on fair terms and that we produce the science and technology that permits this industry to continue to be such an important contributor to the economy.

That is what this policy is about and it is one that I think we should all be very proud of.

**INTEREST RATES**

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

Credit card debt now accounts for 20 per cent of record levels of personal debt which stands at 90 per cent of family disposable income in Canada. On top of that, bankruptcies are up 20 per cent from last year. The Bank of Canada prime rate is at 3.25 per cent while bank credit cards, oil company cards, department store cards charge usury rates, some as high as 28.8 per cent.

Will the Minister of Finance consider bringing back the Usury Act that used to outlaw this kind of immoral interest rate policy which was repealed by the Trudeau government, or what does the government intend to do about this kind of legalized robbery?

**Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, one of the best ways to deal with matters such as credit cards and interest rates on credit cards is by the consumers to indicate whether or not they wish to accommodate such an industry.

When interest rates were high, generally consumers in other areas did not borrow money and did not make purchases, and recently we had it in the housing industry. When interest rates were reduced through the very fine policy of our finance minister, then consumers gained confidence and started to buy houses.

The same can apply in the credit card industry. It is best to leave it to the marketplace. Already there are changes by some of the lending institutions where in certain cases they are instituting credit cards with lower rates. It is best to leave it for the marketplace and Canadian consumers. If the consumers do not like the policy and the high interest rates, they do not have to use the cards.

\* \* \*

**POINT OF ORDER**

## QUESTIONS ON THE ORDER PAPER

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, for quite some time now I have been asking about the responses I have been waiting for on two questions that I have on the Order Paper. It is becoming quite a serious concern for me and possibly it is becoming a great embarrassment for the government but I want to raise it anyway. We are soon going to be recessing for the Christmas break. The two questions are—

**The Speaker:** I wonder my dear colleague, because I do not know the answers that are going to be given today, would the hon. member raise his point of order after we find out which questions

are going to be answered today. Perhaps his questions will be answered. I will allow the hon. member to raise his point of order as soon as we find out what is going on for today.

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## ROUTINE PROCEEDINGS

• (1505)

[Translation]

### WAYS AND MEANS

#### NOTICE OF MOTION

**Hon. Paul Martin (Minister of Finance, Lib.):** Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of a ways and means motion to amend the Income Tax Act, the Income Tax Application Rules, the Bankruptcy and Insolvency Act, the Canada Pension Plan, the Children's Special Allowances Act, the Cultural Property Export and Import Act, the Customs Act, the Employment Insurance Act, the Excise Tax Act, the Old Age Security Act, the Tax Court of Canada Act, the Tax Rebate Discounting Act, the Unemployment Insurance Act, the Western Grain Transition Payments Act, and certain acts related to the Income Tax Act.

I also table explanatory notes and ask that you designate an order of the day for the consideration of the motion.

\* \* \*

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Paul Zed (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 CHILD DAY

**Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.):** Mr. Speaker, in making this statement I am also speaking on behalf of the hon. government House leader and solicitor general who had to leave the Chamber for personal business.

I am here today on behalf of the government to mark the fourth anniversary of National Child Day. This day is designated to raise awareness and to help Canadians celebrate the special meaning that children bring to our lives. It is also a day to reflect on the special

### Routine Proceedings

needs of children and to think of ways we can improve their well-being.

[Translation]

Again this year, the United Nations announced that Canada has the best quality of life in the world. We are proud of this, but it must not lead to complacency.

[English]

Where child poverty exists in a country as rich as Canada, it must be a concern for our entire society. The Government of Canada is acting on a number of fronts to address this problem. For example, we have doubled the working income supplement provided to low income families, and the new employment insurance program contains measures to enable Canadians to get back to work and to provide a basic income guarantee for low income families.

We also want to see children grow up in the most secure and safe environment we can possibly make. All too often children fall prey to criminal victimization and exploitation. As members know we are now discussing in a parliamentary committee Bill C-27 which provides major protection against child prostitution. It also attacks the horrible scourge of sexual exploitation of children by tourists abroad and gives us the right to prosecute Canadians who engage in these practices.

Another area of special concern to many families is the plight of children who are reported missing. At any given time there are about 1,500 to 2,000 reported cases of missing children across Canada. Most are runaways but a considerable number of these children are victims of parental abduction. Child abductions are difficult and complex to deal with when they occur in Canada. They become even more difficult when other countries are involved.

Since 1986 the RCMP's missing children registry, Revenue Canada and Citizenship and Immigration Canada, which form our missing children initiative, have come together to become a powerful force in returning missing children to their homes. This partnership has resulted in a significant increase in the recovery and safe return of missing children in Canada and abroad.

I am pleased to inform the House today on National Child Day that the Department of Foreign Affairs and International Trade is joining the RCMP's missing children registry and its partners in our missing children initiative.

• (1510)

[Translation]

Along with the Department of Foreign Affairs and International Trade in the *Our Missing Children* program, we are able to trace missing and abducted children throughout the world. This co-operation is vital to our efforts to ensure the safety of our children within their families, in the home and on the streets.

*Routine Proceedings**[English]*

For example, the RCMP's missing children registry, in operation since 1986, is a major source of computerized information on missing children in Canada. In 1995 alone the registry assisted in the safe recovery of almost 400 missing children.

With the help of Canada Customs and Immigration, critical border points are alerted when a child is reported missing. This alert system has reduced the chances of children being taken out of the country where their recovery may become much more difficult.

With foreign affairs officers in Ottawa and in embassies and consulates around the world bringing their considerable expertise to this program, Canada has the strongest national system in the world to return missing or abducted children to their parents or guardians.

I must stress however that the government is not alone in this partnership. Without the help of private sector partners, police, searching agencies and non-government partners, our success rate would not be where it is today. In fact, every part of society has an important role to play in this partnership.

The Department of Foreign Affairs and International Trade and the our missing children program have prepared a booklet and fact sheet to provide the most accurate and current information on what to do in cases of child abductions, especially for cases involving out of country abductions.

Members of Parliament are often the first point of contact when constituents do not know where to turn when faced with a problem that requires the help of these specialized services. That is why I am pleased to inform you, Mr. Speaker, that these information documents will be distributed today to all members of the House.

*[Translation]*

Together, we can do something to ensure that our children are safe at home and elsewhere.

*[English]*

I call on all members of this House to join me in applauding the efforts of the men and women of our police, customs, immigration and consular services for their daily efforts to combat the problem of missing children.

*[Translation]*

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, I am very pleased to speak on behalf of the official opposition on this, the fourth anniversary of National Child Day. I would like to take a few moments to point out that the minister may have been requested at the very last minute to speak on this issue in the House, but I would like to remind him that every time a minister's

statement is made with just a few minutes' notice, it is very hard for us to prepare an appropriate response. I just wanted to make the minister aware of the situation.

Having said this, I want to take this opportunity today to say how much the Bloc Québécois is concerned about this issue.

Let me digress for a moment. On this National Child Day, I cannot help but think about the thousands and thousands of children who live in poverty right here in Quebec and in Canada. It is appalling to see such a disturbing number of children go to school hungry, unable to learn in suitable conditions.

The minister is asking us to address the issue of missing children today. Can you for a moment imagine what the parents of missing children go through? Can you for a moment imagine all the distress these children have to face?

If more than 1 million children are sexually abused throughout the world every year, how many children have to go through this same ordeal right here in Canada? True, the 1989 bill of rights for children condemned child sexual abuse, but it ignored its international dimension.

The Dutroux scandal, in Belgium, gave a graphic example of the horror of this situation. Right here in Canada, just a few days ago, major pedophile networks on the Internet were dismantled. This represents a huge challenge at the legislative level. I think we need to develop an appropriate legislative framework to take efficient measures in this area.

As everyone knows, it is hard to gather evidence against sexual tourists, which means that very few of them get convicted.

- (1515)

We therefore feel that one of the government's priorities should be to establish information centres and data banks on victims and those exploit them, in order to improve co-operation among countries and specialized agencies. We must look for concrete solutions to the problem of missing children and those who are victims of sexual exploitation.

Belgium is not the only country where the justice system fails to apprehend dangerous criminals. As the Minister of Foreign Affairs said earlier, between 1,500 and 2,000 children are reported missing in Canada at any given time. And among these are many complex cases of abductions involving other countries, since the children are simply taken abroad, where the Canadian government can do nothing at all. Canada will therefore have to take a long hard look at this situation and act accordingly.

We must have mechanisms for tracing Canadian and Quebec children who have disappeared abroad. That being said, we can only applaud the minister's decision to have his department join the



*Routine Proceedings*

missing children registry of the RCMP and its partners in the our missing children program.

As I said just now, we must set up information centres and data banks. Since the missing children registry is an important source of computer data on missing children in Canada, I think its association with the Department of Foreign Affairs cannot be other than positive. The next step is to connect with computer data in other countries and co-ordinate our activities with these countries. Where are we now in that respect? I would like to know.

I realize it is always reassuring when the minister is optimistic. I am quite prepared to believe him when he says that Canada will have the most powerful system in the world to bring missing and abducted children back to their parents or guardians.

I agree that the program will benefit from expertise provided by Foreign Affairs officers in Ottawa and in our embassies and consulates. However, abroad, in spite of all the expertise of our best officers, Canada cannot act alone. Hence the vital importance of the role played by all partners involved, both in the public and private sectors.

Canada should, for instance, put pressure on those international partners who have not yet signed The Hague convention that would provide for close co-operation between the judicial and administrative authorities of the contracting states.

We therefore urge the government to continue to work on all these fronts. We must ensure that our collective determination is converted into concrete action.

[*English*]

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, it is a privilege to be able to speak on national child day on behalf of Canada's children.

It is not an exaggeration to say that for most Canadians children are our greatest and our most precious resource. Children are an investment. In the short term they are an investment in dollars and cents; in the long term in the very future and success of our country.

According to the Canadian Council on Social Development, the total monetary cost of raising a child from birth to age 18 is \$157,000, and that only represents the short term financial commitment.

One cannot think about the commitment of time and energy or the emotional commitment involved in raising children without recognizing how important these young people are in our lives. For many families they are indeed what makes life worth living. They are our future and we want the very best for our children.

We commend a good initiative like the attempt to return abducted children to their homes, as announced by the Minister of Foreign Affairs today.

In my riding the threat of unaddressable fears of child abduction became only too real just this year. A parent there was faced with the reality of having no assurance that a child, under a Canadian court order to join a parent overseas, would be returned or could return to Canada. As the custodial parent he faced the uncertainty of the cruel reality of international child abduction.

For the sake of all parents and children in Canada, I urge the foreign affairs department to press forward and actively encourage all countries to sign on to The Hague convention.

The stresses and fragility that exist in families are reflected in the tragic statistics of runaways today. Too often these kids run from a home barely coping with increasing pressures and they run right into situations of danger, abuse and violence.

• (1520)

Today on national child day we must underline the importance of addressing not just the symptoms but the causes of such tragedy.

The tragedy in Canada in 1996 is that government policy today is constantly working against children and their families. Child poverty, which is a reflection of family poverty, has not improved under today's tax and spend Liberal government. How can it if 49 per cent of the average family's income is taken from it in taxes? Canadian families need tax relief.

Canada's low and middle income families need to keep more of their own money that will be used to alleviate their financial pressures, money that will be used on behalf of their children.

On the weekend we read another report about the tragic increase in suicides among Canada's young people. That rate has quadrupled in the last three decades. Experts say that one of the primary reasons for this increase is hopelessness and fear of the future. And that we see in our present economic situation.

The unemployment rate is hovering around 10 per cent while it is half that in the United States. The government has cut transfers to provinces dramatically without offering any substantial strategy for securing the access of Canadians to higher education and health care over the long term.

Despite the fact the government can no longer offer the security it once did, this same government refuses to allow Canadian families to keep more of their own income so that parents can fill this gap by making their own provisions for the security of their families and especially their children.

Presently there are about 30 federal programs which target spending toward children or issues that impact children most. The government has never done a substantial evaluation of those programs to see if they are producing the desired outcome. Yet its philosophy is simply to create more programs and throw more money at the problems.

*Routine Proceedings*

What is needed is for Canadian families to keep more of their own earnings and use those earnings on behalf of their own children.

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**COMMITTEES OF THE HOUSE**

## TRANSPORT

**Mr. Reg Alcock (Winnipeg South, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Transport with respect to Bill C-44, the Canada Marine Act.

Since this is the first bill I have tabled, I would like to thank members from all sides of the House who worked so hard to create the unanimity that supports the bill.

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 46th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Agriculture and Agri-Food and the associate membership of the Standing Committee on Health.

If the House gives its consent, I intend to move concurrence in the 46th report later this day.

\* \* \*

**NEGOTIATION TERMS OF SEPARATION ACT**

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.)** moved for leave to introduce Bill C-350, an act to provide for a national referendum to authorize the government to negotiate terms of separation with a province that has voted for separation from Canada.

He said: Mr. Speaker, polls of the participants in the Quebec referendum showed that many were unsure what a yes vote meant. This government's sole response has been to ask the supreme court to rule on a unilateral declaration of independence.

I therefore want to table my private member's bill aimed at reducing the uncertainties surrounding Quebec's separation by spelling out the consequences of a yes vote, including becoming a foreign country with resulting loss of rights to travel and work freely in Canada and to elect representatives to Parliament.

My bill also protects the rights of areas where the majority of people vote to remain Canadian. This bill challenges separatists to agree on basic rules before any future vote.

In the terrible event that 50 per cent plus 1 of Quebecers say they want to become a foreign country, my bill requires Parliament to authorize a binding national referendum within a year on negotiat-

ing terms of separation. My bill would ensure this issue is decided by the will of the people and not the decision of the courts.

● (1525)

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

\* \* \*

[Translation]

**COMMITTEES OF THE HOUSE**

## FINANCE

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ)** moved that the Fourth Report of the Standing Committee on Finance, tabled Thursday, October 31, 1996, be concurred in.

**Mrs. Dalphond-Guiral:** Mr. Speaker, pursuant to Standing Order 43(2), I want to advise the House that my colleagues of the official opposition will share their time in two periods of ten minutes.

**Mr. Loubier:** Mr. Speaker, I will share my time with the hon. member for Saint-Jean.

I am happy to discuss the Fourth Report of the Standing Committee on Finance, which was submitted on October 31, 1996, particularly the dissenting opinion tabled by the official opposition in this regard.

It is unacceptable that the Liberal majority of the Standing Committee on Finance even thought for one moment, after analyzing all the arguments for and against federal interference in a matter of provincial jurisdiction, to basically recommend that a national securities commission, a Canadian securities commission, be established.

We debated this issue in committee, we received briefs, we solicited the views of various parties across Canada, in particular the Quebec government, the players in the Quebec securities field, and we found that there was a consensus to the effect that a Canadian securities commission should not be established, for three reasons.

First, pursuant to the Constitution Act, 1982, which Quebec never signed and was forced to swallow, even against the will of the great majority of the members of the National Assembly, the area of securities is exclusively under Quebec's jurisdiction. The federal government is violating its own Constitution Act. Is this normal?

The second reason is that, if the government creates a national securities commission, it will cause all the expertise in the area of taxation, accounting, portfolio management and stock exchange management to move from Montreal to Toronto and also from Vancouver to Toronto.

If the federal government's vision is to centralize all financial activity in Toronto, it must tell us. We need to know because the decision to create this national securities commission would make

*Routine Proceedings*

Toronto the financial and securities capital of Canada, to the detriment of other regions.

In Quebec alone, we are talking about the survival of 15 000 registered dealers and advisors. We are talking about an annual trading volume of 2.9 billion shares. We are talking about \$39 billion worth of shares that are traded each year.

It is unacceptable that, because of a decision based on the Liberal Party of Canada's bad habit of wanting to centralize everything at all cost within the federal government or through federal regulation, all that will be abandoned in order to meet the partisan, political and incomprehensible objectives of the Liberals. There is unanimity in Quebec with regard to the securities sector.

• (1530)

I would like to quote some excerpts from the five-year report tabled by the Quebec government in December 1993 regarding the implementation of the Securities Act. It was a Liberal government, and the minister responsible for securities was Mrs. Louise Robic, a good Liberal without a doubt.

**An hon. member:** Liberal, yes; but good?

**Mr. Loubier:** A true Liberal. That is what I meant to say. History will tell if she was good or not.

I would like to quote some excerpts from the five-year report tabled by Mrs. Robic in 1993. On the topic of federal regulation of the securities sector, she said, and I quote: "Regulation in this sector, if it ever comes about, would be completely ill advised for a number of reasons, with effectiveness topping the list. It will lead to a duplication of rules and monitoring, as well as the inevitable increase in administrative and financial costs for issuers, investors and brokers. The competitiveness of institutions, their fair treatment under regulation, and the quality of monitoring of the securities sector would suffer".

This is Mrs. Robic, a Liberal, speaking. She has just told us that if the federal government were to interfere in the securities sector, it would be completely inappropriate constitutionally, but it would also be completely ineffective, because the provinces have already developed the expertise, they already have the networks and the institutions to manage the securities sector.

I have often heard the Minister of Finance come up with ideas so ridiculous they verge on the surreal. When he talks to us about the Canadian securities commission, Picasso comes to mind, it would be so chaotic. And for some time now, we have been getting used to this sort of fuzzy thinking from the finance minister.

Basically, this is what he said: "No problem, we will establish a Canadian securities commission and if a province does not want to join it, it will keep its own provincial commission and we will have

our federal commission". This reasoning is so ridiculous that I cannot make head or tail of it.

How can you improve efficiency by increasing the number of players in an area that is already heavily regulated? How can you improve the economic efficiency of securities management if you add one, two or three players, because there are other institutions apart from the Canadian securities commission? How can you create certainty and stability, which the securities sector has an urgent need of?

You know as well as I do that the financial community is very sensitive to any sudden change. So you can imagine how the financial community will react if faced with two players in Quebec: a Canadian securities commission and a Quebec securities commission. The financial community would no longer know where it stands. With whom would it deal? Faced with two contradictory decisions regarding an application to issue shares, which one would they accept?

Everything the government is doing will increase inefficiency, bickering and court challenges.

The only winners in such a situation, sadly, would be lawyers because the establishment of a Canadian commission would create a mess.

Speaking about a consensus in Quebec, recently the Commission sur le travail et l'économie of the Quebec government took a close look at the future of the securities industry. One of its mandates was to evaluate the appropriateness of the federal plan to establish a Canadian securities commission.

Some very serious and qualified experts on securities came before the commission, and every one of them voiced opposition to the establishment of such a Canadian securities commission. The president of the Montreal Exchange said no, as well as the president of the Commission des valeurs mobilières du Québec.

• (1535)

The representatives of the Barreau du Québec said no. The Mouvement Desjardins said no. Ogilvy Renault said no. The Investment Dealers Association of Canada questioned the appropriateness of establishing such a commission, as did various groups, such as the Investors Group.

Recently, to the great embarrassment of the Minister of Finance, in the *Globe and Mail* or in the *Financial Post*—I think it was in the latter—some players in Ontario and in British Columbia also voiced their opposition to the establishment of a Canadian Securities Commission. What a blow.

There are no two ways about it, since the speech from the throne, the Minister of Finance has repeatedly said that there is a broad consensus in Canada for establishing such a commission. That is

*Routine Proceedings*

not true. The minister or his advisers are ill informed, very much so. Nobody wants this Canadian securities commission.

Why? Because the decision to establish one would be totally illogical. Provinces have total jurisdiction over this area and are used to working together, without the tutorship of the federal government, without the paternalistic attitude of a federal Liberal government. They have improved relations, they have improved SEDAR, which stands for System for Electronic Document Analysis and Retrieval.

They have improved and continue to improve the system so that someone issuing securities in Canada does not have to file three different prospectuses, one in Vancouver, one in Toronto and one in Montreal. With this improved system, only one prospectus will be automatically issued from coast to coast. This would increase efficiency, instead of adding another player.

Above all, what needs to be said on this is that the federal government should mind its own business. If it had done so in the last three years, our tax losses would not add up to \$9 billion. Because of the federal government's indulgence, all Canadian taxpayers had to pay higher taxes to make up for this \$9 billion in lost revenue.

Mr. Speaker, I thank you for allowing me to participate in the debate on this issue.

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, the Bloc Quebecois finance critic has very eloquently just stated the government's motivations for creating a new Canadian securities commission.

This raises the same old debate. Later on I will ask him to elaborate on this. The Bloc Quebecois has always called for an end to administrative duplication. The federal government claimed it was willing to look for ways to reduce duplication. This time, however, there is no duplication.

In Quebec, we have our own securities commission. The federal government has decided, according to its own logic, to create a Canadian securities commission, thus creating a duplication which did not exist before. The federal government will then say: "Since we agree that duplication should be avoided, the solution would be to eliminate the Quebec Securities Commission. Since duplication is to be avoided, there should be only one commission".

This is what the federal government's centralizing policy is all about. This is what will happen. Whenever there is duplication, the province, especially Quebec, is asked to withdraw from this area of jurisdiction, and duplication is created where there was none before. Then the federal government tries to justify its action by saying that the province should withdraw in order to avoid duplication.

I believe this is a red herring, and we join with the official opposition critic in demanding that the federal government withdraw from this area of provincial jurisdiction. I would like my colleague to add something on this matter, if time permits.

• (1540)

**Mr. Loubier:** Mr. Speaker, I thank my colleague, the member for Joliette, for his excellent comments and his remarkable analysis and I also want to congratulate him for his speaking skills.

You are quite right dear colleague. How peculiar it is that whenever the federal government talks about eliminating duplication, overlap and inefficiency, it never looks in its own back yard, but always in the provinces' back yards.

It is quite amazing. On the one hand, it creates inefficiency. On the other hand, it says that we, as sovereignists, should respect the Canadian Constitution, but it does not even do so itself. In 1982, when the Prime Minister imposed the Canadian Constitution on Quebec, the present Prime Minister was there. He was one of those who forced Quebec to accept this unacceptable Constitution.

He tells us we should respect the Constitution, but when the time comes for him to respect the jurisdictions stated in that Constitution, he pays no attention whatsoever to it. Double standards. Whenever it suits him, he goes ahead, and when it does not, he puts aside all his beliefs and his constitutional convictions.

As I said earlier, it seems the government is annoyed whenever the provinces agree on something and live in harmony, whenever they implement a sophisticated system, which is constantly improving, an efficient protocol for the issuance of securities.

It seems the federal government does not like that and feels it has to interfere. But when it does, the quarrelling goes on. It is easy to understand. If things are so wrong, if it is so hard for us to agree in so many areas, very often it is not our fault. It is often due to provocation from the other side. We were used to a system which constantly provoked Quebec, something that is still going on under this Prime Minister, who was an important player in 1970 and 1980, one of those who forced Quebec to fall back into line.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, first of all, I would like to congratulate my colleagues from La Prairie, Saint-Hyacinthe—Bagot and Trois-Rivières. As you know, being the Indian affairs critic, I am not well-versed in economic matters. Having read the dissenting opinion of my colleagues, I told myself that I had to speak on this issue. That is why I asked my parliamentary leader to put my name on the list.

The first thing I must say, after reading the dissenting report and seeing what the finance minister was getting at—and I take over from my colleague from Joliette—is that the federal government is once again intruding in areas of provincial jurisdiction, especially in Quebec.

Members on the other side of the House say all kinds of things and use all kinds of words to redefine the Canadian Confederation. They are constantly talking about decentralization and using many terms like “flexible federalism”. These fine words are inconsistent with their proposals.

It seems to me that the federal government is once again being inconsistent because it is promoting a certain decentralization, a certain flexibility, while at the same time advocating the creation of a national commission that would oversee all other securities commissions. Naturally, that was quite obvious to me right from the beginning.

What the finance minister is suggesting, with the support of his government colleagues on the Standing Committee on Finance, is that the federal government take over some of what the Quebec securities commission is doing in Montreal. As you know, this commission is located in Montreal. I believe this is another attack against the great city of Montreal. Montreal is already grappling with many problems. Some of them were pointed out in discussions, speeches and questions.

We notice, among other things, that the unemployment rate is always higher in Montreal than anywhere else in Quebec and in Canada. Montreal has become the capital of unemployment. Finally, the minister’s proposal would aggravate the unemployment problem by transferring to Toronto the financial resources associated with securities.

● (1545)

This is unacceptable. The poverty rate is also quite high in Montreal. This is terrible. The waiting lines at food banks are getting longer and longer and the only thing the minister does is try to cripple a provincial commission located in Montreal, in the Province of Quebec. What city stands to benefit? Toronto.

Naturally, Toronto is always chosen for the establishment of a national securities commission. We in the Bloc Québécois must oppose this measure proposed by the finance minister.

I was telling you that it is an important economic lever for Montreal. Here are some statistics that prove it. The Quebec Securities Commission means 120 permanent jobs in Montreal, 15,000 registered brokers and advisers, an \$8 million annual budget, and the issuance of some 1,570 prospectuses and visas per year. Moreover, \$2.9 billion in shares and \$39 billion in securities were traded there in 1995.

### *Routine Proceedings*

One can easily understand our eagerness to stand up for provincial securities commissions, including the Quebec commission. We often hear about Quebec’s financial and other resources being siphoned off in favour of large municipalities, of major centres like Toronto, and of Ontario, but this is not the first time we are being unfairly treated.

We have often denounced injustices in research and development. The situation is the same. It is the same thing for National Defence. I keep reminding the House that, in the case of armoured vehicles, the minister unilaterally decided to give the whole contract to London, Ontario, while Oerlikon, which is located in Quebec and which is a centre of excellence for turrets, got absolutely nothing.

Contracts are very often awarded directly to Ontario companies as well as to western concerns, but rarely to Quebec companies. Quebecers never get the equivalent of what they contribute as regards these lines of activity.

The same goes for Public Works Canada. We mention it regularly. There are hundreds of millions of dollars that should go to Quebec but are allocated elsewhere in Canada. The minister keeps following the same pattern, which is to yield to the pressures of Toronto’s major financiers, even though he is from Quebec. It is sad to see that he approves this measure, which will undermine Quebec’s efforts and those of its securities commission.

The minister uses an argument which I find somewhat fallacious when he says: “Listen, if provincial securities commissions want to remain in place, so be it. Let them remain in place”. However, we know that the national commission will take precedence over any other securities commission. This will result in an exodus of financial advisers and brokers, who will all move to Toronto. This is why I think the government’s argument is fallacious.

We will definitely not let the federal government interfere in a field that comes under Quebec’s jurisdiction, and we will do our utmost to make sure this does not happen. The Minister of Finance should commit himself to other pursuits than trying to drain off Quebec’s own resources.

My colleague from Saint-Hyacinthe—Bagot has tabled an excellent paper on corporate taxation. I find it abnormal that the middle class and the disadvantaged are always the ones who have to foot the bill in Canada. There are 29 large corporations that pay only 6.5 per cent tax on their profits. Normally, the rate should be much higher. They should play a part in putting government finances on a healthier footing. However, it is always the same people who end up paying: the disadvantaged through cuts and the middle class through excessive taxes.

Also, they rarely talk about closing the tax loopholes enjoyed by high income earners. These people continue to take advantage of

*Routine Proceedings*

loopholes, and those making over \$100,000 often shirk their responsibilities.

As for family trusts, the Minister was slow in tackling this problem. Can we believe today that he has solved it? I doubt it very much.

• (1550)

Instead of going after performing Quebec institutions like the Commission des valeurs mobilières du Québec, the minister should tackle the real problem, that of taxpayers who still use loopholes in the tax system, of companies that still escape paying taxes, and of family trusts that are still in existence. The finance minister himself has admitted he has a family trust, so he does not want to touch that, but the middle class and the underprivileged are still the ones who foot the bill.

I wish to move an adjournment motion. I move, seconded by the hon. member for Laval Centre:

That this House do now adjourn.

**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:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

• (1625)

[English]

*Before the taking of the vote:*

**Mr. Frazer:** Mr. Speaker, on a point order. It may be my military background but I do believe that we should abide by dress regulations. I believe we have a member in the House who is improperly dressed.

**The Deputy Speaker:** Without forcing the poor Speaker to have to go down every row, the member might indicate who is the improperly dressed member.

**Mr. Frazer:** Mr. Speaker, the member for Davenport.

**The Deputy Speaker:** Colleagues, my eyes can barely see but I gather that the member for Davenport is not wearing a tie. There is

a ruling, surprising as it may sound to a number of members, that a member not wearing a tie is not in fact entitled to vote. Nobody gets thrown out but the member for Davenport accordingly will not be able to vote.

• (1630)

**Ms. Cohen:** Mr. Speaker, I would like some clarification. I am not wearing a tie. Will I be entitled to vote?

**The Deputy Speaker:** Yes. With my having three daughters, you are putting the Speaker in a very bad position. In fact, I think the unfortunate answer is that if a member is of one gender she does not need to wear a tie, but the other gender does.

Somebody can challenge that or take an action for a declaratory judgment in one of the courts.

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

(Division No. 168)

## YEAS

## Members

Althouse	Asselin
Axworthy (Saskatoon—Clark's Crossing)	Bachand
Bellehumeur	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Brien
Canuel	Crête
Cummins	Dalphond-Guiral
Daviault	de Savoye
Debien	Deshaies
Duceppe	Fillion
Forseth	Frazer
Gagnon (Québec)	Gauthier
Gilmour	Godin
Gouk	Grubel
Guimond	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Hart
Hayes	Hill (MacLeod)
Hoepfner	Jennings
Johnston	Lalonde
Landry	Langlois
Laurin	Lebel
Leblanc (Longueuil)	Lefebvre
Loubier	Mayfield
Ménard	Mercier
Nunez	Penson
Picard (Drummond)	Ramsay
Rocheleau	Sauvageau
Schmidt	Scott (Skeena)
Solberg	Solomon
Speaker	St-Laurent
Stinson	Strahl
Taylor	Thompson
Tremblay (Lac-Saint-Jean)	Tremblay (Rosemont)
Wayne	Williams—70

## NAYS

## Members

Adams	Alcock
Allmand	Anawak
Arseneault	Assadourian

*Routine Proceedings*

Axworthy (Winnipeg South Centre/Sud-Centre)	Baker
Barnes	Beaumier
Bélair	Bellemare
Bertrand	Bethel
Bevilacqua	Blondin-Andrew
Bodnar	Bonin
Brown (Oakville—Milton)	Byrne
Caccia	Calder
Campbell	Cannis
Catterall	Chamberlain
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crawford	Culbert
Cullen	DeVillers
Discepola	Dromisky
Duhamel	Easter
English	Finestone
Finlay	Flis
Fontana	Gaffney
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway	Gerrard
Goodale	Graham
Grose	Guarnieri
Harb	Harper (Churchill)
Harvard	Hickey
Hopkins	Hubbard
Ianno	Irwin
Jackson	Jordan
Keyes	Kilger (Stormont—Dundas)
Kirkby	Knutson
Kraft Sloan	Lastewka
Lavigne (Verdun—Saint-Paul)	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee	Loney
MacAulay	Malhi
Maloney	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Mifflin
Murphy	Murray
Nault	Nunziata
O'Brien (Labrador)	O'Brien (London—Middlesex)
O'Reilly	Pagtakhan
Paradis	Payne
Peric	Peterson
Pettigrew	Phinney
Pillitteri	Reed
Regan	Richardson
Rideout	Robichaud
Robillard	Rock
Scott (Fredericton—York—Sunbury)	Shepherd
Sheridan	Simmons
Skoke	St. Denis
Szabo	Telegdi
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Walker	Whelan
Young	Zed —126

## PAIRED MEMBERS

Anderson	Augustine
Bakopoulos	Bélisle
Boudria	Caron
Chrétien (Frontenac)	Clancy
Dubé	Dumas
Dupuy	Guay
Lavigne (Beauharnois—Salaberry)	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Paré
Parrish	Patry
Plamondon	Pomerleau
Proud	Speller
Stewart (Brant)	Venne
Wells	Wood

● (1635)

[Translation]

**The Deputy Speaker:** I declare the motion negated.

(Motion negated.)

**Mr. Marchand:** Mr. Speaker, I got here late, but I would like to be recorded as having voted with my party in favour of the motion.

[English]

**Mr. Zed:** Mr. Speaker, on a point of order, I move that the House do now proceed to the orders of the day.**The Deputy Speaker:** The hon. parliamentary secretary is not able to move that motion on a point of order. Resuming debate, the hon. parliamentary secretary to the government House leader. On a point of order, the hon. member for St. Albert.**Mr. John Williams (St. Albert, Ref.)** Mr. Speaker, I move:

That the member for Medicine Hat be now heard.

● (1640)

**The Deputy Speaker:** The motion is not debatable.**Mr. Gagliano:** Mr. Speaker, you called debate and since we are going back to debate, the opposition had its turn and it is now our turn. You should have recognized the parliamentary secretary to the House leader.

[Translation]

**Mr. Duceppe:** Mr. Speaker, all members of this House know that there is no list of speakers and that the first member to stand up is the one who gets to speak. No one stood up on the government majority side. I recognized and saw it was indeed a Reform member who stood up.**Some hon. members:** Hear, hear.

[English]

**Mr. Zed:** Mr. Speaker, I humbly submit to you that you may remember I did stand and I was recognized on debate. You indicated that under a point of order it would not be appropriate to move a motion so you moved to debate. When you moved to debate, I stood and you recognized me. I was about to speak on debate. You then took a motion on a point of order which you said was not appropriate when I had done it. Therefore, I would submit to you, Sir, that I am on debate and I have the floor. I respectfully request the floor.**Mr. Williams:** Mr. Speaker, I would ask that you call the question on the motion that I put forward.**The Deputy Speaker:** Colleagues, this will seem like Greek to many people. In fact what happened, the parliamentary secretary quite correctly points out that he was recognized on debate. He was not able to move the motion on a point of order. In fact, there is only one motion that can be made on a point of order and that is the motion that was made by the member for St. Albert.

*Routine Proceedings*

Accordingly, if anybody is interested, had the member spoken and said a single word after he was recognized—

**An hon. member:** He did.

**The Deputy Speaker:** The Chair did not hear him say a single word. Because he had not spoken, the motion put on a point of order by the member for St. Albert is in order. Accordingly, we will now have to vote on that motion.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

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

*(Division No. 169)***YEAS**

## Members

Althouse	Asselin
Bachand	Bellehumeur
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Breitkreuz (Yellowhead)
Bridgman	Brien
Canuel	Crête
Cummins	Dalphond-Guiral
Daviault	de Savoye
Debien	Deshaies
Duceppe	Fillion
Forseth	Frazer
Gagnon (Québec)	Gilmour
Godin	Gouk
Guimond	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Hayes
Hoeppner	Jacob
Jennings	Johnston
Lalonde	Landry
Langlois	Laurin
Lebel	Leblanc (Longueuil)
Lefebvre	Loubier
Marchand	Mayfield
Mercier	Nunez
Penson	Picard (Drummond)
Ramsay	Rocheleau
Schmidt	Solberg
Solomon	Speaker
St-Laurent	Strahl
Taylor	Tremblay (Lac-Saint-Jean)
Tremblay (Rosemont)	Wayne
Williams—61	

**NAYS**

## Members

Adams	Alcock
Allmand	Anawak
Arseneault	Assadourian
Baker	Barnes
Beaumier	Bellemare
Bertrand	Bethel
Bevilacqua	Bodnar
Bonin	Brown (Oakville—Milton)
Byrne	Caccia
Calder	Campbell
Cannis	Catterall
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crawford	Culbert
Cullen	DeVillers
Discepola	Dromisky
Easter	English
Finestone	Finlay
Flis	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gerrard	Goodale
Graham	Grose
Guarnieri	Harb
Harper (Churchill)	Harvard
Hickey	Hopkins
Hubbard	Ianno
Irwin	Jackson
Jordan	Keyes
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lastewka	Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacAulay
Malhi	Maloney
Marleau	Martin (LaSalle—Énard)
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Mifflin
Murphy	Murray
Nault	Nunziata
O'Brien (Labrador)	O'Brien (London—Middlesex)
O'Reilly	Pagtakhan
Paradis	Payne
Peric	Peterson
Pettigrew	Phinney
Pillitteri	Reed
Regan	Richardson
Rideout	Robichaud
Robillard	Rock
Scott (Fredericton—York—Sunbury)	Scott (Skeena)
Shepherd	Sheridan
Simmons	Skoke
St. Denis	Stinson
Szabo	Telegdi
Thompson	Torsney
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Wappel	Whelan
Young	Zed—124

**PAIRED MEMBERS**

Anderson	Augustine
Bakopanos	Bélisle
Boudria	Caron
Chrétien (Frontenac)	Clancy



*Government Orders***GOVERNMENT ORDERS**

Dubé  
Dupuy  
Lavigne (Beauharnois—Salaberry)  
Leroux (Shefford)  
Parrish  
Plamondon  
Proud  
Stewart (Brant)  
Wells

Dumas  
Guay  
Leroux (Richmond—Wolfe)  
Paré  
Patry  
Pomerleau  
Speller  
Venne  
Wood

*[English]***CANADA LABOUR CODE**

The House resumed from November 19 consideration of the motion that Bill C-66, an act to amend the Canada Labour Code (Part I) and the Corporations and Labour Unions Returns Act and to make consequential amendments to other acts, be read the second time and referred to a committee.

**The Deputy Speaker:** The House will now proceed to the taking of the deferred recorded division on Bill C-66.

**Mr. Kilger:** Mr. Speaker, if the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion—

**Some hon. members:** No.

**Mr. Kilger:** If it is helpful to the House, it is the government's intention that after we have dealt with the recorded divisions we would move to private members' hour. We are only trying to facilitate everyone's work here. There are committees still pending and while members are here I thought we could possibly be efficient and effective by taking the recorded divisions now, moving to private members' hour after.

**Mr. Strahl:** Mr. Speaker, I think applying the votes may work. We will have to be careful because there was voting in different parties in different ways, but we can apply the vote as long as that is taken into account.

*[Translation]*

**Mrs. Dalphond-Guiral:** Mr. Speaker, we are in agreement and we will indicate how we will vote.

**Mr. Kilger:** Mr. Speaker, with respect to Bill C-66, Liberal members will be voting yea.

**Mrs. Dalphond-Guiral:** Mr. Speaker, members of the official opposition will be voting nay.

*[English]*

**Mr. Strahl:** Mr. Speaker, Reform Party members present will be voting yes on this bill unless instructed to do otherwise by their constituents.

**Mr. Solomon:** Mr. Speaker, the New Democratic Party members present in the House today will vote no on this matter.

**Mr. Hill (MacLeod):** Mr. Speaker, I will be voting yes.

**Mr. Breitkreuz (Yorkton—Melville):** Mr. Speaker, I would like to be recorded as voting yes.

**Mr. Blaikie:** Mr. Speaker, I was not here for the previous vote and so I would like the Table to know that I am here for this vote and am voting with my NDP colleagues on this against the motion.

*[Translation]*

**The Deputy Speaker:** I declare the motion lost.

(Motion negatived.)

**Mr. Ménard:** Mr. Speaker, I am sorry to be a nuisance, but I came in late. I would not want you to think ill of me. This is the first time this has happened since I have been in the House, but I did not feel well. I was feeling weak. I apologize, Mr. Speaker.

• (1735)

*[English]*

**Mr. Kilger:** Mr. Speaker, on a point of order, I wonder if you would find agreement from the parties that we now would take the deferred divisions on Bill C-66, the Canada Labour Code, and Bill C-42, the Reform amendment on the Judges Act.

**Some hon. members:** Agreed.

\* \* \*

**PRIVILEGE**

## ROYAL COMMISSION ON ABORIGINAL AFFAIRS

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, I rise on a question of privilege.

I feel that my parliamentary privileges are in the process of being breached, notwithstanding this afternoon. It is a serious question of privilege. Mr. Speaker, I have not been able to give you the normal advance notice of one hour, but we have to raise these issues at the first available opportunity, and that is now.

I have been advised that tomorrow members of Parliament will not be given a copy of the report by the royal commission on aboriginal affairs. It will be given to the press, to the media, but not to members of Parliament.

The royal commission was created by this House and therefore I would ask the government to ensure that all parliamentarians have access to that report.

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Mr. Speaker, I would submit to you that this is not a point of order or a question of privilege but in fact is total fabrication and speculation at this time.

**The Deputy Speaker:** I think the hon. member will appreciate the word inchoate. It will not happen until tomorrow. If the matter does not happen tomorrow, as he indicates, please let the Chair know.

*Government Orders*

[Translation]

**Mr. Ménard:** Mr. Speaker, I am feeling better and I will be voting with my party, that is to say, I will be voting nay.

• (1740)

**Mr. Massé:** Mr. Speaker, I was absent and I would like it noted that had I been here for the last vote, I would have voted with the government.

[English]

**Mr. Scott (Skeena):** Mr. Speaker, just to be absolutely clear, I am voting in support of this motion.

**Mr. Harper (Calgary West):** Mr. Speaker, I wish to be recorded as opposing the motion.

**Mrs. Wayne:** Mr. Speaker, I will be voting in favour of the motion.

**Mr. Nunziata:** Mr. Speaker, I will be voting in favour of the motion.

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

*(Division No. 170)*

## YEAS

## Members

Adams	Alcock
Allmand	Anawak
Arseneault	Assadourian
Baker	Barnes
Beaumier	Bellemare
Bertrand	Bethel
Bevilacqua	Bodnar
Bonin	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Bridgman
Brown (Oakville—Milton)	Byrne
Caccia	Calder
Campbell	Cannis
Catterall	Cohen
Collenette	Collins
Comuzzi	Copps
Cowling	Crawford
Culbert	Cullen
Cummins	DeVillers
Discepolo	Dromisky
Easter	English
Finestone	Finlay
Flis	Fontana
Forseth	Frazier
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gerrard	Gilmour
Goodale	Gouk
Graham	Grose
Guarnieri	Harb
Harper (Churchill)	Harper (Simcoe Centre)
Harvard	Hayes
Hickey	Hill (Macleod)
Hoeppner	Hopkins
Hubbard	Ianno
Irwin	Jackson
Jennings	Johnston
Jordan	Keyes
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lastewka	Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)	Lee
Loney	MacAulay
Malhi	Maloney
Marleau	Martin (LaSalle—Émard)
Massé	Mayfield
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Mifflin

Murphy	Murray
Nault	Nunziata
O'Brien (Labrador)	O'Brien (London—Middlesex)
O'Reilly	Pagtakhan
Paradis	Payne
Penson	Peric
Peterson	Pettigrew
Phinney	Pillitteri
Ramsay	Reed
Regan	Richardson
Rideout	Robichaud
Robillard	Rock
Schmidt	Scott (Fredericton—York—Sunbury)
Scott (Skeena)	Shepherd
Sheridan	Simmons
Skoke	Solberg
Speaker	St. Denis
Stinson	Strahl
Szabo	Telegdi
Thompson	Torsney
Ur	Valeri
Vancielief	Verran
Volpe	Walker
Wappel	Wayne
Whelan	Williams
Young	Zed—148

## NAYS

## Members

Althouse	Asselin
Bachand	Bellehumeur
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Blaikie
Brien	Canuel
Crête	Dalphonde-Guiral
Daviault	de Savoye
Debien	Deshaies
Duceppe	Fillion
Gagnon (Québec)	Godin
Guimond	Harper (Calgary West/Ouest)
Jacob	Lalonde
Landry	Langlois
Laurin	Lebel
Leblanc (Longueuil)	Lefebvre
Loubier	Marchand
Ménard	Mercier
Nunez	Picard (Drummond)
Rocheleau	Solomon
St-Laurent	Taylor
Tremblay (Lac-Saint-Jean)	Tremblay (Rosemont)—42

## PAIRED MEMBERS

Anderson	Augustine
Bakopanos	Bélisle
Boudria	Caron
Chrétien (Frontenac)	Clancy
Dubé	Dumas
Dupuy	Guay
Lavigne (Beauharnois—Salaberry)	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Paré
Parrish	Patry
Plamondon	Pomerleau
Proud	Speller
Stewart (Brant)	Venne
Wells	Wood

[Translation]

**The Deputy Speaker:** I declare the motion carried.

## Government Orders

(Motion agreed to and bill referred to a committee.)

\* \* \*

[English]

## JUDGES ACT

The House resumed from November 19 consideration of the motion in relation to the amendments made by the Senate to Bill C-42, an act to amend the Judges Act and to make consequential amendments to another act; and of the amendment.

**The Deputy Speaker:** The House will now proceed to the taking of the deferred recorded division on the amendment of the member for St. Albert to the motion of the Minister of Justice concerning Senate amendments to Bill C-42, an act to amend the Judges Act and to make consequential amendments to another act.

**Mr. Kilger:** Mr. Speaker, if the House would agree I would propose that you seek unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting nay.

[Translation]

**Mrs. Dalphond-Guiral:** Mr. Speaker, members of the official opposition will be voting nay.

[English]

**Mr. Strahl:** Mr. Speaker, Reform Party members present will be supporting this amendment unless instructed by the constituents to do otherwise.

**Mr. Solomon:** Mr. Speaker, New Democratic Party members present this evening will vote no on this issue.

**Mrs. Wayne:** Mr. Speaker, the PC members will be voting nay.

**Mr. Harper (Calgary West):** Mr. Speaker, just for further clarification, I will be voting yes on this motion.

**Mr. Nunziata:** Mr. Speaker, as I almost always do, I will vote with the government on this matter.

(The House divided on the amendment, which was negated on the following division:)

(Division No. 171)

## YEAS

## Members

Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Cummins
Forsyth	Frazier
Gilmour	Gouk
Harper (Calgary West/Ouest)	Harper (Simcoe Centre)
Hayes	Hill (MacLeod)
Hoepfner	Jennings
Johnston	Mayfield
Penson	Ramsay
Schmidt	Scott (Skeena)
Solberg	Speaker
Stinson	Strahl
Thompson	Williams—26

## NAYS

## Members

Adams	Alcock
Allmand	Althouse
Anawak	Arseneault
Assadourian	Asselin
Bachand	Baker
Barnes	Beaumier
Bellehumeur	Bellemare
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bethel	Bevilacqua
Blaikie	Bodnar
Bonin	Brien
Brown (Oakville—Milton)	Byrne
Caccia	Calder
Campbell	Cannis
Canuel	Catterall
Cohen	Collenette
Collins	Comuzzi
Copps	Cowling
Crawford	Crête
Culbert	Cullen
Dalphon-Guiral	Daviault
de Savoye	Debien
Deshaies	DeVillers
Discepolo	Dromisky
Duceppe	Easter
English	Fillion
Finestone	Finlay
Fis	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Gerrard
Godin	Goodale
Graham	Grose
Guarnieri	Guimond
Harb	Harper (Churchill)
Harvard	Hickey
Hopkins	Hubbard
Ianno	Irwin
Jackson	Jacob
Jordan	Keyes
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lalonde	Landry
Langlois	Lastewka
Laurin	Lavigne (Verdun—Saint-Paul)
Lebel	LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Lefebvre	Loney
Loubier	MacAulay
Malhi	Maloney
Marchand	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Ménard
Mercier	Mifflin
Murphy	Murray
Nault	Nunez
Nunziata	O'Brien (Labrador)
O'Brien (London—Middlesex)	O'Reilly
Pagtakhan	Paradis
Payne	Peric
Peterson	Pettigrew
Phinney	Picard (Drummond)
Pillitteri	Reed
Regan	Richardson
Rideout	Robichaud
Robillard	Rocheleau
Rock	Scott (Fredericton—York—Sunbury)
Shepherd	Sheridan
Simmons	Skoke
Solomon	St-Laurent
St. Denis	Szabo
Taylor	Telegdi
Torsney	Tremblay (Lac-Saint-Jean)
Tremblay (Rosemont)	Ur
Valeri	Vanclief
Verran	Volpe
Walker	Wappel
Wayne	Whelan
Young	Zed—164

*Private Members' Business*

## PAIRED MEMBERS

Anderson	Augustine
Bakopanos	Bélisle
Boudria	Caron
Chrétien (Frontenac)	Clancy
Dubé	Dumas
Dupuy	Guay
Lavigne (Beauharnois—Salaberry)	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Paré
Parrish	Patry
Plamondon	Pomerleau
Proud	Speller
Stewart (Brant)	Venne
Wells	Wood

**The Deputy Speaker:** I declare the amendment lost.

It is my duty to inform the House that the question to be raised tonight at the time of adjournment is: the hon. member for Saint John, taxation.

It being 5.45 p.m., the House will now proceed to the consideration of Private Members' Business.

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**PRIVATE MEMBERS' BUSINESS**

[English]

**EXPORT OF ARMS**

**Mr. Bill Blaikie (Winnipeg Transcona, NDP)** moved:

That, in the opinion of this House, the government should consider the advisability of amending Canada's system of arms export controls by requiring that export permits for military products be granted only after the Department of Foreign Affairs has conducted and tabled in the House of Commons a Security Impact Assessment determining that the proposed export will enhance international security.

He said: Madam Speaker, I rise today to ask the House to support Motion No. 290 which calls on the government to consider improving Canada's regime for controlling arms exports. I am proposing that the government should be required to determine that a particular export of military equipment would improve international security and table that security impact assessment in the House of Commons before granting an export permit.

This motion addresses the continuing threat that the international arms trade poses to international security over so much of the developing world. The persistence of the trade in arms at unacceptable levels in the aftermath of the cold war is creating a residual harvest of death that must not be overlooked in the sigh of relief that comes from not being as close as we were for years to the nuclear abyss. The arms trade today is fueled both by the hangover

of the cold war and by the unabated addiction of the developed economies to the economic spin-offs of military spending.

The hangover is the need to get rid of stockpiles of outdated weapons and equipment while retrieving some economic benefit. In Canada we have seen this aspect of the problem in the government's attempts to peddle Canada's fleet of CF-5s, first to Namibia and now reportedly to the Philippines through some American broker that wants to barter the planes for a gold mine.

Elsewhere, as highlighted recently in a Veterans Against Nuclear Arms newsletter, the American government has recently sold off large quantities of inventoried advanced weaponry to more than 60 countries at bargain basement prices, worsening arms races between Turkey and Greece, Israel and Egypt and Chile and Argentina.

Equally ominous, the Russian arms industry is reported by the International Institute for Strategic Studies to be accumulating large stockpiles of military equipment and supplies that were ordered by the Russian armed forces but for which the Russian state is now in no position to pay.

The arms industries resist the shrinkage of military spending in the wake of the cold war through attempts to persuade governments they still need the "baroque arsenals" of the cold war, to borrow a term from the prominent British disarmament expert, Mary Kaldor, or that they need to continue to invest large sums of money in R and D for new weapons.

They also resist the shrinkage in their opportunities by cultivating new markets in developing countries. In a report released earlier this month, the International Institute for Strategic Studies has shown that the post-cold war decline in the international arms trade has reversed this year as arms suppliers eagerly seek out growing markets in the Middle East financed by rising oil prices and in east Asia, where there is a nascent arms race beginning to spiral into dangerous proportions.

As Oscar Arias, Nobel peace prize winner and former president of Costa Rica, has recently pointed out, there is something perverse in the fact that the five permanent members of the security council who are supposed to be promoting peace are also the five largest arms exporters and hence promoters of war and insecurity.

• (1750)

In Canada, we certainly conform to the perverse trend that Arias points out. There seems to be little indication of a fundamental rethinking of Canadian security policy. At the same time, as reported in recent issues of the *Ploughshares Monitor*, Canadian exports to non-NATO countries are going up with aggressive marketing in the east Asian region.

Potentially the most dangerous component in the cold war's harvest of death is the continued threat posed by the existence of

stockpiles of nuclear weapons and weapons grade nuclear material. Our cautious optimism about the steps taken recently toward a comprehensive nuclear test ban treaty should not lead us to underestimate the scale of the dangers that will persist until the nuclear genie is put back in the bottle.

There is the environmental problem of storing plutonium which remains highly toxic for thousands of years, a problem that directly affects Canada because the Liberal government has expressed support for the idea of burning the world's weapons grade plutonium in Candu reactors and presumably burying the waste somewhere in the Canadian shield.

There is the possibility of nuclear terrorism, either through the theft of a nuclear weapon or through the construction of a nuclear device by a terrorist organization or rogue state.

I found Walter Lequeur's conclusion in a recent article in *Foreign Affairs* that such an event, far from a remote possibility, was better described as "apocolypse soon", to be highly unsettling. Not to mention that if Candus in Canada begin to use plutonium it will only be a matter of time before other Candu possessing countries argue that they too could have access to plutonium, with all the danger that such a development would involve for nuclear weapons proliferation.

The Liberal government's decision to go ahead with the sale of a Candu reactor to China, with no environmental assessment or public consultation, and in the full knowledge of China's willingness to help some countries develop a nuclear capability, gives Canada little moral authority to preach to the world about nuclear responsibility.

The flourishing of the arms trade and the persistence of the nuclear threat, despite the end of the cold war, has been a matter of immense disappointment, if not surprise, to those who thought that there were grounds for optimism at the end of the cold war in 1989.

For one thing, the collapse of the communist regimes came about in large part as a result of the mobilizing of popular democratic movements. If people power could bring down the military industrial complex in the east there was the prospect that the much more developed democracies could do so in the west, especially since the military contest which had legitimized grotesque levels of public expenditures on the military had disappeared.

There were, therefore, high expectations that the end of the cold war could bring a large peace dividend to the former contestants in the cold war and to the international community at large. Military budgets could be greatly reduced and public spending could be redirected to more socially useful ends. International assistance could be given over entirely to legitimate development programs rather than military assistance.

### *Private Members' Business*

This optimism rested on the assumption that with the end of the cold war and its horrifyingly surreal definition of international security as residing in the nuclear balance of terror, it would open up some political space for an authentic conception of international security as residing in the elimination of poverty, respect for the environment, respect for basic human and political rights and the notion of common security as opposed to collective security based on nuclear terror.

Governments could spend on international development and engage constructively in the political development of many developing societies as a way of achieving genuine international security rather than propping up authoritarian regimes as cold war stooges and militarizing their regional conflicts.

This assumption has not proved true. In the first place, the madness of the nuclear arms race and balance of terror has not given way to the hoped for conception of common security based on strengthening the international community through poverty reduction and environmental protection. It has instead been replaced by a vision of international society in some powerful circles which attaches no meaning or value to the international community at all, and which prefers a world where the U.S. plays the role of global policemen picking and choosing what merits intervention and concern. The jobs can sometimes be contracted out to countries like Canada as long as there are no vital strategic interests at stake.

In this dominant, neo-liberal vision of the world as a giant, unified marketplace, a playground for the few hundred multinationals that dominate international trade and where states are increasingly becoming marginal actors, the idea of common security is as scarce as the idea of the common good.

Globalization usually figures centrally in criticisms of the drift of the world economy. However, it must also be of great concern to those concerned about international conflict and the arms trade.

The proponents of globalization offer no prescription for the deep poverty and social and institutional underdevelopment of so many societies rooted in the accelerated polarization that is taking place as the market becomes the only forum for the international community. The resulting poverty and environmental degradation will be the main source of international conflict in the coming years.

• (1755)

A second danger posed by globalization is the complete absence of a moral compass for public policy generally and foreign and defence policy particularly. The growth of the notion that states do not have responsibilities that may interfere with the commercial interests of companies has led to the neutering of the state as a morally proactive agent in the arms trade as in so many other areas of public policy.

*Private Members' Business*

When the president of the Aerospace Industries Association of Canada says, as quoted in the June issue of the *Ploughshares Monitor* that "it is not for those who manufacture or assemble weapons to grapple with the moral issue of who the arms should or should not be sold to", we are not surprised.

However, it is outrageous for the Liberal government to adopt such a position. When the Minister of Industry says, quoting again the same issue of the *Ploughshares Monitor*, that "We need to recognize that there are and always will be conflicts—that we have Canadian defence firms with expertise, we have Canadians who are employed in these businesses, and we want them to succeed". When we hear that kind of quote we know that the moral handicap which I talked about is now epidemic and metastasizing throughout the body politic.

The ethos of globalization has not offered a new vision of international security. It not only offers no solutions to the development problems that fuel international conflict and hence the arms trade, it offers no moral regime in the context of which governments could regulate the arms trade, which like all other human endeavours in the dominant market paradigm is seen as a market opportunity rather than as an ethical challenge.

Let me now turn to the particular problems of Canadian involvement in the international arms trade and propose a way forward to meet the challenges of developing a responsible public policy in response to the arms trade.

The Canadian defence industry is, according to the 1995 report of the United States Arms Control and Disarmament Agent, the 10th largest exporter in the world. Since the end of the cold war it has experienced a loss of American orders and has become proportionately more dependent on Canadian government orders. However, it has managed to catch the international trend and capture a growing export market in non-NATO countries.

One of the defining characteristics of Canadian exports is its role as a supplier of parts and components to American suppliers, a trait that led a recent *Ploughshares Monitor* article to label the Canadian industry as a bit player.

These exports are unregulated and unreported, making it difficult to trace the end user of parts. This has not stopped others from reporting on how often Canadian exports end up in the hands of regimes with appalling human rights records or who are engaged in destabilizing defence policies.

It also means that the policy decisions about where our military exports should be permitted is handed over to the Americans, not a very reassuring situation. When the Pentagon advises the Clinton administration, as it recently has, to lift the ban on exporting high technology weapons to Latin America, Canada becomes a silent

partner to such a disastrous policy. To allow Latin American militaries access to high tech weapons threatens to turn back the clock on the process of democratization. It will reinvigorate the military establishments, whose past excesses are contained only under very fragile truces with civilian authorities in many Latin American societies, and will siphon moneys badly needed for social development into the sinkhole of growing military budgets.

What needs to be done to improve this situation? At the most fundamental level, Canadians need to insist on at least a little intellectual consistency in Canadian defence and foreign policy from the Liberal government.

The government cannot take a leading role in the movement to abolish anti-personnel mines, a commendable course of action, and turn a blind eye to the export of arms or components through American intermediaries to human rights abusers.

The government cannot take pride in the peacekeeping operations of the Canadian Armed Forces and at the same time allow Canadian arms exporters to supply arms to the same local conflicts which the peacekeepers might be sent to address.

Look at Canadian military exports to Turkey, which totalled close to \$26 million from the years 1990 to 1993, and may include a potential sale of CF-5s to the Turkish air force. Why should a government that otherwise professes to be seeking a peaceful solution to the conflict between Turkey and Greece, or the Turkish government and the Kurdish community in Turkey for that matter, be arming the Turkish government?

• (1800 )

The same could be said of the dramatic cuts in Canadian development assistance under the Liberals. They are part of the international trend to abandon the poorest of the poor to the mercies of the global market, a policy which will only engender more international and civil conflict and the need for even more peacekeeping missions.

You should not boast of your skills as a firefighter if in your spare time you are an arsonist, or at the very least play a lot with matches.

The motion I am putting forward today is a proposal for a concrete improvement to the Canadian regime for arms export controls. It is inspired by Ernie Regehr's proposal published recently in the *Ploughshare's Monitor*.

The proposal set out in the motion would require the government to prepare a security impact assessment before granting any export permit. It would have to table the report in the House of Commons. This measure would bring two major improvements to the current regime.

*Private Members' Business*

First, it would place an onus on the government to show not only that the receiving party met certain standards of not being on a particular blacklist of sanctioned states, but the government would have to demonstrate that a particular export would enhance international security. This would force the government to pause before allowing an export to a country or region that might otherwise have an acceptable bill of health in terms of human rights performance or not being in a particular conflict at the present time but which in any case could be destabilized by an emerging arms race.

For instance, the government would be forced to demonstrate how particular arms exports to east Asia or the Middle East, where destabilizing arms races are now escalating, would serve the interests of regional or global security.

The second benefit would of course be increased transparency, a chronic problem in the international arms trade which is habitually conducted under the table. The tabling of the security impact assessment in the House of Commons would in itself add to the transparency of this secretive trade. Greater transparency will in and of itself assist in the task of building responsible behaviour in the arms industry.

This proposal is not of course the only improvement needed to our public policies on arms exports. One of the main problems remains the export of components to American manufacturers of weapons systems and other military equipment. Because there is no export control or even reporting at all for the export of arms or components to the United States, Canadians have no way of knowing who the end users of Canadian exports are, or more to the point, who is killed or terrorized by such weapons and by whom. Without some regime to bring this problem under control, Canadians remain in the hands of American policy makers for the moral decisions about to whom lethal instruments made in Canada should be sold. Clearly this is not an acceptable situation.

This motion, had it been chosen to be votable and debated and voted on, would have been an opportunity for the House of Commons to have expressed itself on what I regard as a morally urgent matter. Unfortunately it was not so chosen, so we only have this hour of debate before us today and we are not really in a position to seek unanimous consent for the passage of the motion at this time.

I hope this might be one small step toward moving the government in this direction. I recall when the Liberals were in opposition many suggestions were put forward in the spirit of this private member's motion, in particular by the member who is now the Minister of Foreign Affairs for the Liberal government.

I am hoping for a sympathetic hearing from the government on this. It is an opportunity to follow up on the goodwill created by the government through its actions with respect to the banning of anti-personnel land mines. If that stands alone, if it is not followed

up by meaningful action on the arms trade, then certainly the community within Canada which concerns itself with the arms trade will not be deceived. It will not think that the government's actions will suffice if the government does not go beyond the land mines strategy which it has now and seeks to do something about something we can do right here in Canada now.

We do not have to wait for an international consensus on how Canada regulates its exports of arms. This is something we can do ourselves. The Minister of Foreign Affairs is very good at creating international discussions. He is very good at creating the image of something being done or something about to be done. We wish him well in all that.

However here in our own backyard, here in our own regime with respect to how we regulate the export of arms, the government can act now. It could have acted today by facilitating the passage of this motion. Certainly many Canadians are with me at this time in hoping that the government will soon act on this issue.

• (1805 )

**Mr. Francis G. LeBlanc (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Madam Speaker, I welcome the opportunity to participate in the debate on the motion of the member for Winnipeg—Transcona.

We share his concern for the need to reduce global arms and the need to prevent as much as possible arms from entering the hands of people in countries that systematically abuse human rights and which use the arms to terrorize populations, and to proceed on the whole scale of the arms reduction agenda. However, the proposal of my hon. colleague would make major alterations to Canada's export control system. I remind the House that Canada's export control system is already one of the strictest in the world.

Also our government is constantly reviewing regulatory restrictions such as export controls and making adjustments when needed to ensure that we maintain the strictest possible system. I would like to explain to the House what makes our system of military export controls the strictest in the world.

[*Translation*]

Canada was one of the first countries to set precise criteria for arms export permits. It remains one of the few countries to include the respect of human rights among its criteria. We played a lead role in this, setting an example for other countries.

[*English*]

Our criteria enable us to: protect the national security of Canada and its allies; abide by all UN economic sanctions; avoid situations

*Private Members' Business*

involving hostilities or threat of hostilities; and take into consideration the human rights conditions of the recipient country, including the possibility of goods proposed for export being involved in cases of human rights abuse.

Last June 18 the Minister of Foreign Affairs addressed the House on this very issue. He reaffirmed his commitment to strict, tough controls. In fact he told the House that he had further tightened the implementation of export permitting to ensure that Canada's policies were fully met.

The new measures put in place in 1996 include more rigorous analyses of security issues and threats of hostilities, fully considering (a) the regional stability and security relationships; (b) relations between neighbouring states; and (c) internal conflicts such as civil wars. Also included is a stricter interpretation of human rights criteria, including increased requirements of end use assurances to minimize the risk that Canadian equipment would fall into the hands of those who might use it to abuse human rights. They also include even stricter controls where firearms are concerned, including examining the gun control laws and practices in recipient countries to satisfy ourselves that Canadian firearms would not slip into the illegal arms trade or fuel local lawlessness or violence.

[Translation]

Canada's export control system includes one other aspect which makes it one of the world's best. I refer to its transparency. Every year we issue a detailed report of our military exports to countries other than the United States, and have done so since 1990. This report shows the value of our military exports in 21 separate categories of goods for each country except the U.S.

Canada was one of the first to be in favour of such detailed reports and played a significant role in creating the U.N. Register of Conventional Arms in 1992. Today, we are taking further steps toward ensuring better compliance with reporting requirements by all countries, as well as the exchange of more detailed information in this area.

• (1810)

[English]

In its level of detail, Canada's annual report on military exports goes far beyond the public reporting done by even our closest friends and allies internationally.

Most Canadian made military goods go to the U.S. under defence production sharing agreements which date back to the second world war. Of the rest, over 87 per cent support close allies in NATO and those with whom we have defence research, production and security arrangements, such as those on the so-called automatic firearm country control list.

[Translation]

It seems to me that Canada, however modest its role, is already highly successful in supporting its allies where security is concerned, while severely curtailing its exports in situations which might give rise to strategic concerns of one kind or another. In addition, by declaring our exports, both large and small, we are demonstrating more transparency than any other country.

[English]

Our government has worked tirelessly for peace, international security, and to support social development. We will continue to do so.

I would like the House to note the following Canadian initiatives: to bring about a worldwide ban of antipersonnel land mines, which is currently gathering very good momentum internationally; to gain world recognition of the problem of excessive military spending in some less developed countries that might leave little public funding for education, health and other social needs.

There is the initiative to help found a new export control regime. The Wassenaar arrangement is dedicated to increasing responsibility and transparency in conventional arms, an organization that for the first time embraces former cold war adversaries and new industrial economies in Asia and Latin America.

Another initiative is to direct large proportions of our development assistance expenditure to building institutions that promote human rights and democratic development, including a free media and civil policing.

This government has taken an extremely active role internationally in peace building, in conventional arms control and in ensuring that Canadian military trade is conducted at the highest level of responsibility and transparency, a model for the rest of the world. We will continue to expand these efforts and will keep looking at ways to update and enhance our export control systems to ensure they fully adhere to Canadian values of international peace and security.

[Translation]

**Mr. Stéphane Bergeron (Verchères, BQ):** Madam Speaker, I welcome the opportunity today to speak to Motion M-290 presented by the hon. member for Winnipeg Transcona.

If the Canadian government were to agree to make export permits for military goods conditional on a security impact assessment, there is no doubt that military goods produced in Canada could no longer be used for inhuman and immoral purposes.

This motion could make a vital difference to many people who today are suffering the horrors of war, a war that is often, too often, waged with weapons produced here in Canada.

The last review of the current legislation, the Export and Import Permits Act, dates back to September 1986, when the Conservative



*Private Members' Business*

Party was in power. One wonders why this policy has not been revised and amended for more than ten years, although the world situation has changed considerably during that time. Consider, for instance, the fall of the Berlin wall, the breakup of the former Soviet Union and of course the drastic shift in the geopolitical balance.

Does the Liberal government truly believe that this legislation does not have to be adjusted to the current situation? Actually, a praiseworthy attempt was made in 1992. At the time, the Standing Committee on Foreign Affairs and International Trade had appointed a sub-committee to examine more specifically the issue of arms exports.

This study produced some 20 recommendations which are now, unfortunately, gathering dust. This is because the Conservative government at the time decided that arms export controls were already strict enough and it was unnecessary to tighten up the regulations. The most troubling aspect here is that the current Minister of Foreign Affairs was among those who signed this report.

• (1815)

Furthermore, in a speech he had noted that Canada was moving more and more towards a peacekeeping role. Arguing in favour of a much tougher control register that would contain a list of the countries to which Canadian arms were sold, the present minister said this: "We want to make sure there is a system in which there could be a clear requirement that exports would only go to countries on the list and that there would be a transparency to that list so we would know who they are. We want to make sure that it would not be decided inside the bowels of External Affairs and all of a sudden an announcement would be made and before anything could be done it would be over. Furthermore, and it is a very important principle, we felt it crucial that Parliament should have a role and that the elected representatives of the people of Canada should be given some opportunity to determine whether we want to sell arms to country A or country B. Therefore, there is a requirement for tabling the name of any country that would go on this list to be reviewed by Parliament if we so decided".

The current minister concluded by saying: "The point of the matter is that we believed it was time for Canada to take some leadership". You will agree with me that, if the current Minister of Foreign Affairs wants to be consistent with the position he held when he was the opposition's critic on foreign affairs, he has no choice but to support Motion M-290.

The official opposition, that is the Bloc Quebecois, believes the Liberal government is once again using double talk. Indeed, it announces, in an official speech, that it is calling for restrictions and for the non-proliferation of weapons considered to be a source of instability but, at the same time, it refuses to tighten controls over exports of Canadian military products.

In a speech delivered in June, when the sixth annual report on Canada's military exports was tabled, the minister said he would

tighten exports of military products even more. How can we believe the minister considering that, so far, there has been no concrete proof of any tighter control. There is no conclusive evidence that measures were actually taken by the government since that speech.

Will the minister give us concrete guarantees about the measures he truly wants to implement? We even read in the newspapers that the OECD was going to hold an international symposium in Canada next winter, and that several studies were planned as background papers for discussion about stepping up control of sales of arms to third world countries.

The Bloc Quebecois thinks it would be ridiculous if these studies served only for discussion purposes. Action is long overdue. With each passing day, more innocent people die, too often women and children, killed by these arms, which have been bought by dictators or militia bent on imposing their rule by force.

Canada has, or should have, enough political maturity that it can now stop producing studies on this issue. It has now reached the stage where it should be able to take action.

Why does the government not simply take the opportunity of the upcoming symposium to table and have adopted, during a House of Commons debate, a new policy on arms export control. It could then show leadership by proving to all participating countries that it is possible to implement a law that has teeth but that also has a moral component, something which is too often missing in today's world.

Recent events in Haiti, Rwanda, Burundi, Zaire and Afghanistan show once again how true it is that military products can be used for the wrong reasons.

It is distressing to see how the western world too often forgets the use to which these arms can be put. We read yesterday in the newspapers that, just between April and July 1994, a British company sold \$7.3 million worth of arms to Rwanda. Now we know to what use they were put.

What is the Canadian government waiting for to take, without further delay, the lead of the international community and introduce tougher regulations on arms sale to very unstable parts of the world?

• (1820)

I repeat, the Minister of Foreign Affairs would waste no time taking action if he acted in a way that is consistent with what he said in 1993, and I will quote him again: "We must do a better job than we are doing to give a message to the world that the proliferation of arms must come to a halt. That is the reason for the recommendation to have a much tougher munitions control register. It was designed to say that we would not be party to sending arms to any area, region or country in which there are

*Private Members' Business*

human rights abuses, civil conflict, or dictatorships using those arms to suppress people or create violence or conflict”.

However, Canada has knowingly sold arms to countries where respect for human rights is no more than an illusion. The Vancouver *Sun* reported last September that Ottawa had approved sales of military equipment to Indonesia for a total estimated at more than \$362 million. This, although it is common knowledge that Indonesia has occupied East Timor for more than 20 years and that more than 200,000 Timorese have been killed.

As far as China is concerned, Canada has apparently sold more than \$50 million worth of military goods to that country in the past three years. Does the minister really believe that the Chinese government would never use those arms against opponents to the regime or against the Tibetan people who are now under Chinese occupation?

Yes, the Bloc Québécois supports this motion and believes that the motion presented by the hon. member for Winnipeg Transcona is a sensible one and should be an incentive for the Canadian government to review the Export and Import Permits Act. We hope that the Liberal government will be of the same opinion, even if all it can say is trade, trade, trade, in the process forgetting about the most elementary notions of human rights.

[English]

**Mr. Charlie Penson (Peace River, Ref.):** Madam Speaker, it is a privilege to speak to Motion No. 290, the motion proposed by the member for Winnipeg Transcona dealing with military exports.

The motion has been read already, but for the benefit of those just joining us I would like to read it again. It is quite a mouthful:

That, in the opinion of this House, the government should consider the advisability of amending Canada's system of arms export controls by requiring that export permits for military products be granted only after the Department of Foreign Affairs has conducted and tabled in the House of Commons a security impact assessment determining that the proposed export will enhance international security.

I suppose my concern is whether there is a demonstrated need for what the hon. member is proposing. I question whether there is.

I would like to approach this question by comparing the motion to what the process is for export permits currently. Presently every exporter of a military product must apply to the Departments of Foreign Affairs and International Trade for an export permit. The procedure is handled by the export's control division of the department and takes anywhere from a few days to a few weeks. The division consults with other areas of the department such as the geographic region to which the sale is being proposed and the Canadian embassy in that country. It also consults with other

interested government departments such as the Department of Industry and the Department of National Defence.

The consultation process, from the information I have received, is a fairly careful one. It is done in such a way as to protect the commercial confidentiality of the proposed sale. Making this process public in any way could result in the loss of that sale not only to another Canadian company but to a foreign competitor.

If there were public money involved, if this were a crown corporation, maybe the need for that type of transparency would be necessary, but we are talking about private companies here.

I am not sure what information the member for Winnipeg Transcona intends to be divulged when a security impact assessment is tabled in the House of Commons. After being tabled in the House of Commons, such an assessment would be part of the public record. It would be information out there for any competitor to use.

• (1825 )

Even after sales have taken place the department has been careful to group all sales into categories. This is done so that precise information regarding the product and destination cannot be linked back to one particular company. This has to do with commercial confidentiality.

I have often had problems dealing with the department's hiding behind a veil of commercial confidentiality, but this particular case involves Canadian companies that are not receiving export subsidies on credit, unlike some of the ones that we have going through organizations like the Export Development Corporation. This is one of the ways in which the motion differs substantially from what is occurring presently, and I have not heard anything this evening which would justify making company information public.

Another way that this motion differs from the present procedure is the objective of the security impact assessment. The motion states that the assessment should determine that the export will enhance international security. The consultation which presently takes place only establishes that the sale will do no harm and will not have any negative impact.

We need to examine what we are exporting. Our military exports are mostly in the area of parts and components for aircraft vehicles and electronic equipment. We sell things like aircraft simulators and landing gear for military aircraft. We are careful not to sell military goods and technology to certain types of countries. For instance, we do not sell to countries which pose a threat to Canada or to our allies. We do not sell to countries involved in or under threat of hostilities. We do not sell to countries under UN security

council sanction. Furthermore, we do not sell to countries whose governments have a persistent record of serious human rights abuses. We are attempting to determine what an export sale will not do in terms of harming. Therefore I believe we have met the qualifications necessary.

I am not convinced there is a demonstrated need for flipping the criteria on their head and asking that it be proven that the sale will actually enhance international security. I would assume that many of the companies that produce military parts, components and technology for export are also furthering Canada's capabilities in producing goods and technology for civilian use. This is often the case. As long as our military exports are doing no harm, I believe their production and sale should be allowed to continue in the present format.

The Minister of Foreign Affairs, in a speech delivered on June 18 of this year, stated that Canada's controls are among the toughest in the world. We have heard that stated a couple of times this afternoon. Nonetheless, he said that he was tightening up the controls further to ensure that exports did not end up in the wrong hands and were not used for unacceptable purposes. He instructed his officials to carry out more rigorous analyses of the regional, international and internal security situations of the countries where these exports were destined. Furthermore, we are applying a stricter interpretation of human rights criteria. We are also exercising strict controls to ensure that Canadian firearms do not end up in the illicit arms trade and that they do not fuel local violence.

Some people might argue that there is no need to be selling military parts or exporting them at all. I would make the case that many of these military exports that Canada develops and sells end up in things like CF-18 jets which Canada buys back from the United States. We use those jets to enhance our internal security. We use those jets as part of our NATO forces and NORAD forces to deliver security in regions such as Bosnia, Somalia and areas where Canada is asked to be police persons for the world. We could make the argument that these military parts which are being developed and exported actually enhance world security and Canada's security.

I want to deal for a moment with the ironic situation which we heard about this evening from the hon. member for Winnipeg Transcona as well as the hon. member for Verchères. They talked about what the position of the present Minister of Foreign Affairs was when he was the critic for the Liberals when they were in opposition. They said that he has certainly flip-flopped on his position. I believe he has probably discovered, in much the same way the Liberals did when they opposed free trade in opposition, that now that they are in power it is a pretty good deal for the country. I believe they found in this area of security for the export of military parts that things are not as bad as they seem. We have a pretty fair process in place and unless there is a demonstrated need to change it, it should not be changed.

### *Private Members' Business*

• (1830)

Like most Canadians, I want to ensure that our military exports are not destroying property or injuring people. I believe that our government's export permit system balances the need to ensure that our military goods and technology do not end up in the wrong hands while protecting the commercial confidentiality of our companies and allowing them to advance their capabilities and know how. There needs to be a much stronger demonstration of this balance before that can be undone.

I would be the first one to say that if that need can be demonstrated, that Canada should review this and have a more open process and have it reported to the House of Commons, if that need can be demonstrated, we would fully support it. But I do not believe the case has been made here this evening by the presentation that I have heard that would cause us to look at this and change the system. I would invite the members who have brought this forward that if they can show us convincing evidence otherwise, we would be prepared to have another look at it.

**Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.):** Madam Speaker, our government shares the concern of the member for Winnipeg Transcona about peace and international security.

As my colleague for Cape Breton Highlands—Canso has outlined, we have taken many concrete steps in this direction. We have also taken our responsibilities very seriously to ensure that Canadian military exports are helpful in supporting our allies and do not fall into the hands of those bent on disrupting peace and security in other parts of the world.

I would like to take a few moments to outline for this House some of the steps that are taken behind the scenes to fully meet this commitment.

[*Translation*]

All applications for arms export permits, unless they involve NATO countries or a few other similar countries, are subject to an exacting consultation process within the department and with other departments. This primarily involves assessments of each specific situation.

[*English*]

Officials look at a range of factors affecting international and internal peace and security. First of all, are the goods in question of similar, lower or higher technological level than the recipient country already has? This closely helps determine whether a sale would have a destabilizing affect on a region.

Would the goods help the recipient contribute positively to security arrangements in the region in question or to existing or

*Private Members' Business*

planned UN peacekeeping activities? Are there any risks that the goods proposed for export would threaten any UN or other peace efforts in or near the recipient country or any Canadian or friendly military peacekeeping or humanitarian effort?

[Translation]

These assessments are made by the Department of National Defence and the Regional Security and Peacekeeping Division of the Department of Foreign Affairs and International Trade, in conjunction with some of the geographical divisions. This averts any risk of diversion or deception concerning use or final destination.

[English]

As this House can see, we take our responsibility to protect peace very seriously. A second part of this same process is our strict policy against military sales to countries with less than perfect human rights records as well. In the area of human rights, the Department of Foreign Affairs human rights division and the country desks with their political, economic and social development experts perform a thorough analysis. They look at annual reports prepared by our embassies abroad on the human rights performance of each country for the preceding year, including areas of deterioration as well as improvements.

They look at reports from such eminent international human rights watchdogs as Amnesty International, the UN human rights commission as well as reports received from like minded governments including the U.S. They look at, on a country by country basis, reports of Canadian and foreign based non-governmental organization offering factual or anecdotal information on human rights conditions in different countries.

They also look at concrete steps being undertaken by the Canadian government and by Canadian NGOs to improve the country's democratic and good governance institutions such as a free press, democratic political institutions and an independent judiciary and civil police force.

• (1835)

[Translation]

Together, these elements give us a good idea of the human rights and security situation virtually anywhere in the world. If any doubt persists, because our information is incomplete or contradictory, our embassies investigate and report back to us. All of this is done prior to any recommendation concerning an application for an arms export permit. What is more, when the proposed recipient is a country with a potential for strategic concerns, the Minister of External Affairs himself looks at the situation in detail and decides whether to issue the permit or to deny it.

[English]

It can be seen that we already undertake a lengthy procedure to vet military exports. It is difficult to see how the member's proposal would enhance this analysis and scrutiny, but it is quite easy to see that the proposal would make a good system unworkable and make export control permits subject to unrealistic criteria. How could one possibly prove that a given export would enhance international security?

I think it is worth noting the common misconception that military exports are all arms or lethal weapons that figure centrally in conflict. Nothing could be further from the truth.

Canadian so-called military exports are made up almost completely of parts and components, electronic elements, repair and overhaul and protective and support systems.

Let me provide the House with a few illustrations. Canada is one of the world's foremost manufacturers and suppliers of bomb disposal suits and helmets used for disarming terrorist bombs and dangerous anti-personnel land mines. We also make and export to many countries bullet proof clothing and armour plating often to protect civilians.

Canada's aerospace industry is composed mainly of repair and overhaul and electronic subsystem manufacturers. We make no combat military aircraft in Canada at all. Yet aerospace makes up roughly 70 per cent of Canada's defence exports.

What else do we make and export? Devices to help land helicopters on to the heaving decks of ships at sea and radios and optical sights and flight simulators and even pellets used for target practice. Though misnamed as arms, these Canadian defence goods are vital to supporting Canada's own armed forces and to pulling our fair share internationally in our military alliances with the U.S. and NATO. The companies that make these goods also employ a lot of Canadians, between 60,000 and 80,000 directly and indirectly, independent studies tell us.

[Translation]

Our government is committed to peacebuilding and peacekeeping. Also, through various positive measures, we have encouraged the Canadian defence industry, including the aerospace sector, to gradually convert to civilian uses. Our initiatives in this respect were designed to maintain quality and highly paid jobs in Canada, while doing everything we could to support the conversion of goods and services in the areas of aviation, transportation and telecommunications to commercial uses.

The technological partnership program announced last year by my colleague, the Minister of Industry, ensures that the risks associated with research and development are shared with the industry, especially where businesses convert to new civilian applications.

*Adjournment Debate**[English]*

The Canadian government is taking all responsible steps to prevent Canadian made military goods from being sold to destinations and end users that threaten peace and security internationally. In fact, our current level of in depth study and analysis is equal to any in the world. But we are doing more. We are supporting industry in its efforts to strengthen the civil commercial side of its business when converting from traditional military production and in this way retaining companies, jobs and invaluable high technologies in Canada.

- (1840)

*[Translation]*

**The Acting Speaker (Mrs. Ringuette-Maltais):** Since no more members wish to speak and the motion was not selected as a votable item, the hour provided for consideration of Private Members' Business has now expired and the item is dropped from the Order Paper.

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## ADJOURNMENT PROCEEDINGS

*[English]*

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

### TAXATION

**Mrs. Elsie Wayne (Saint John, PC):** Madam Speaker, on November 4 I asked the finance minister if he was aware of the fact that thousands of jobs in the Atlantic provinces are in jeopardy because of his harmonized sales tax.

The minister responded by saying that retailers will be able to take advantage of the input tax credit. Their costs would be lower and they would be in a position to pass their savings on to consumers.

Contrary to what the minister has stated, retailers will not pass along any savings to consumers because there are no savings to be had. Jobs are already being lost.

Today in my local paper in Saint John, New Brunswick, the MMG Management Group which operates Greenberg and MetMart stores announced the closure of 12 stores and the loss of 150 jobs as a direct result of the HST in New Brunswick. Seventy-nine people have been told that they will be laid off and the stores closed by the end of 1996, that is at the end of next month.

MMG's New Brunswick stores face over \$1 million in annual costs to accommodate the harmonization. The input tax credit the

minister spoke of amounts to \$495,000 but this still leaves the company with a shortfall of \$563,000.

The HST is nothing more than a blatant attempt by our present government to fulfil an election promise. I have to say that the only reason it went through was because of the three Liberal premiers in Nova Scotia, New Brunswick and Newfoundland. None of the other provinces have agreed to this.

It is not good for Atlantic Canada and puts the three Atlantic provinces out of sync with the rest of Canada. It is being forced on us to pad the Liberal version of a red book promise kept.

Under the agreement New Brunswick, Nova Scotia and Newfoundland must include or hide the 15 per cent HST in the ticket price of the item, known as in-pricing. However in the rest of Canada the provincial sales tax and the GST must still be added at the cash register.

The incentive for New Brunswick was a \$364 million pay-off which the province has already received from the federal government despite an April 1 deadline for harmonization. This money already is being used by the provincial government and this was their incentive to sign this agreement.

The main problem is the patchwork approach to harmonization. The retail sector came here to see me. The Retail Council of Canada representing Sears, Eaton's, Canadian Tire, Shoppers Drug Mart and Hudson's Bay has stated these stores can operate with a single rate sales tax system either tax inclusive or tax extra across Canada. The retailers cannot manage a tax inclusive in a partially harmonized system.

A report prepared by Ernst and Young for the Retail Council of Canada makes reference to the Department of Finance announcement of April 23. The announcement promised that partial harmonization would bring about a simpler tax system for both consumers and business, lower costs and less paper work. Further it promised harmonization will also help lower prices through a reduction in the cost of doing business.

The retailers state the exact opposite will happen. The system will not be simple and the costs will increase. The software used by many companies will have to be altered to accommodate the regionalized pricing system and in the six major retailers this means changing over 132 software systems.

All of those retailers rely on catalogues and their catalogue business will now be forced to print an English and French catalogue for New Brunswick, Nova Scotia and Newfoundland and then an English and French catalogue for central Canada and the western provinces. National TV and radio advertising will also cost more. The Ernst and Young report states that the annual cost to retailers in the harmonized provinces is expected to be in excess of \$100 million. I have to ask what all this means to the consumer. It means that we will pay more. Why? In order to remain profitable, businesses and retailers must recover their conversion expenses.

*Adjournment Debate*

The pride of this government is going to cost Atlantic Canadians dearly. It will hit us in our wallets and it will—

**The Acting Speaker (Mrs. Ringuette-Maltais):** The hon. member's time has expired.

**Mr. Barry Campbell (Parliamentary Secretary to Minister of Finance, Lib.):** Madam Speaker, I thank the hon. member for her question. Hon. members will know that Canadians have expressed a strong preference to know the full price of goods and services in advance of making their purchases.

I had the privilege of travelling with the finance committee on the GST consultation. If there was one refrain we heard from one end of the country to the other it was: "We want to know what things are going to cost. We don't want sticker shock, counter shock".

Tax inclusive pricing under the harmonized sales tax agreement with the three Atlantic provinces responds directly to the preference that has been expressed by Canadians across this country.

With tax inclusive pricing consumers in New Brunswick, Nova Scotia, Newfoundland and Labrador will know before they get to the cash register what their intended purchases will actually cost, and as such they will make better informed purchasing decisions.

As noted in the HST technical paper—

**Mrs. Wayne:** They're going to close the stores.

**Mr. Campbell:** Madam Speaker, I am responding to the hon. member's question. I did not interrupt as she asked her question, tempted though I was. I would ask her to respect the answer.

As noted in the HST technical paper, beginning April 7, 1997, businesses in the three provinces will be required to price their products on a tax inclusive basis. The participating governments have consulted extensively with business in this respect and recognize it will require some operational adjustments. Accordingly, rules have been developed that will minimize disruption for business while still addressing the desires of consumers.

That being said, we must bear in mind that removing embedded provincial sales tax from business inputs and moving to a single administration will entail significant economic benefits for businesses in the participating provinces, benefits which they can pass on to consumers.

The participating governments believe consumers will benefit which is why they have moved to tax inclusive pricing.

[*Translation*]

**The Acting Speaker (Mrs. Ringuette-Maltais):** The motion to adjourn the House is now deemed adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.47 p.m.)

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# CONTENTS

Wednesday, November 20, 1996

## STATEMENTS BY MEMBERS

<b>Crime Prevention</b>			
Mr. Telegdi .....	6483	Mr. Hart .....	6489
<b>Mining Industry</b>		Mr. Young .....	6489
Mr. Deshaies .....	6483	Mr. Hart .....	6489
<b>Mining</b>		Mr. Young .....	6489
Mr. Stinson .....	6483	<b>Quebec Referendum Act</b>	
<b>Dr. Herb Dickieson</b>		Mr. Bellehumeur .....	6489
Mr. Blaikie .....	6484	Mr. Rock .....	6489
<b>Mining</b>		Mr. Bellehumeur .....	6489
Mr. Bonin .....	6484	Mr. Rock .....	6489
<b>Mineral and Metal Policy</b>		<b>Taxation</b>	
Mr. Bertrand .....	6484	Mrs. Hayes .....	6490
<b>Mining</b>		Mr. Martin (LaSalle—Émard) .....	6490
Mr. Dromisky .....	6484	Mrs. Hayes .....	6490
<b>National Child Day</b>		Mr. Martin (LaSalle—Émard) .....	6490
Mrs. Dalphond—Guiral .....	6485	<b>Employment Insurance</b>	
<b>Canadian Airlines</b>		Mrs. Lalonde .....	6490
Ms. Meredith .....	6485	Mr. Pettigrew .....	6490
<b>Quebec Language Policy</b>		Mrs. Lalonde .....	6491
Mrs. Finestone .....	6485	Mr. Martin (LaSalle—Émard) .....	6491
<b>National Child Day</b>		<b>Taxation</b>	
Mr. Harb .....	6485	Mr. Solberg .....	6491
<b>International Day of the Child</b>		Mr. Martin (LaSalle—Émard) .....	6491
Mr. Duhamel .....	6485	Mr. Solberg .....	6491
<b>Free Trade</b>		Mr. Martin (LaSalle—Émard) .....	6491
Mr. Sauvageau .....	6486	<b>Singer Company</b>	
<b>National Child Day</b>		Mr. Bachand .....	6491
Mrs. Jennings .....	6486	Mr. Pettigrew .....	6492
<b>National Child Day</b>		Mr. Bachand .....	6492
Ms. Phinney .....	6486	Mr. Pettigrew .....	6492
<b>Environmental Assessment</b>		<b>Public Transit</b>	
Mr. Discepola .....	6486	Ms. Catterall .....	6492
<b>ORAL QUESTION PERIOD</b>		Mr. Gagliano .....	6492
<b>Taxation</b>		<b>Tobacco Legislation</b>	
Mr. Gauthier .....	6487	Mr. Hill (MacLeod) .....	6492
Mr. Martin (LaSalle—Émard) .....	6487	Mr. Dingwall .....	6492
Mr. Gauthier .....	6487	Mr. Hill (MacLeod) .....	6492
Mr. Martin (LaSalle—Émard) .....	6487	Mr. Dingwall .....	6492
Mr. Gauthier .....	6487	<b>Mining Industry</b>	
Mr. Martin (LaSalle—Émard) .....	6488	Mr. Deshaies .....	6492
Mr. Loubier .....	6488	Ms. McLellan .....	6493
Mr. Martin (LaSalle—Émard) .....	6488	Mr. Deshaies .....	6493
Mr. Loubier .....	6488	Ms. McLellan .....	6493
Mr. Martin (LaSalle—Émard) .....	6488	<b>Distinct Society</b>	
<b>Bombardier</b>		Mr. Strahl .....	6493
Mr. Hart .....	6488	Mr. Dion .....	6493
Mr. Young .....	6488	Mr. Strahl .....	6493
		Mr. Dion .....	6494
		<b>Mining</b>	
		Mr. Reed .....	6494
		Ms. McLellan .....	6494
		<b>Interest Rates</b>	
		Mr. Solomon .....	6494
		Mr. Bodnar .....	6494



<b>Point of Order</b>	
<b>Questions on the Order Paper</b>	
Mr. Breitzkreuz (Yorkton—Melville) .....	6494
The Speaker .....	6494

### ROUTINE PROCEEDINGS

<b>Ways and means</b>	
<b>Notice of Motion</b>	
Mr. Martin (LaSalle—Émard) .....	6495
<b>Government Response to Petitions</b>	
Mr. Zed .....	6495
<b>National Child Day</b>	
Mr. Axworthy (Winnipeg South Centre) .....	6495
Mr. Bergeron .....	6496
Mrs. Hayes .....	6497
<b>Committees of the House</b>	
<b>Transport</b>	
Mr. Alcock .....	6498
<b>Procedure and House Affairs</b>	
Mr. Zed .....	6498
<b>Negotiation Terms of Separation Act</b>	
Bill C-350. Motions for introduction and first reading deemed adopted .....	6498
Mr. Stinson .....	6498
<b>Committees of the House</b>	
<b>Finance</b>	
Motion for concurrence in fourth report .....	6498
Mr. Loubier .....	6498
Mr. Laurin .....	6500
Mr. Bachand .....	6500
Motion .....	6502
Point of Order on Rules of Dress .....	6502
Motion negated on division: Yeas, 70; Nays, 126 .....	6502
(Motion negated.) .....	6503

Mr. Williams .....	6503
Motion .....	6503
Motion negated on division: Yeas, 61; Nays, 124 .....	6504
(Motion negated.) .....	6505

### Privilege

<b>Royal Commission on Aboriginal Affairs</b>	
Mr. Williams .....	6505
Mr. Kilger .....	6505

### GOVERNMENT ORDERS

#### Canada Labour Code

Bill C-66. Consideration resumed of motion for second reading .....	6505
Motion agreed to on division: Yeas, 148; Nays, 42 .....	6506
(Motion agreed to and bill referred to a committee.) .....	6507

#### Judges Act

Bill C-42. Consideration resumed of motion for second reading of and concurrence in Senate amendments; and of the amendment .....	6507
Motion negated on division: Yeas, 26; Nays, 164 .....	6507

### PRIVATE MEMBERS' BUSINESS

#### Export of Arms

Motion .....	6508
Mr. Blaikie .....	6508
Mr. LeBlanc (Cape Breton Highlands—Canso) .....	6511
Mr. Bergeron .....	6512
Mr. Penson .....	6514
Mr. Bertrand .....	6515

### ADJOURNMENT PROCEEDINGS

#### Taxation

Mrs. Wayne .....	6517
Mr. Campbell .....	6518

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