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OFFICIAL REPORT
(HANSARD)

Thursday, March 20, 1997

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, March 20, 1997

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

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 eight petitions.

[*English*]

While I am on my feet, I move:

That the House do now proceed to orders of the day.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Speaker: Call in the members.

• (1040)

[*Translation*]

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

(*Division No. 276*)

YEAS

Members

Alcock	Anderson
Arseneault	Assad
Augustine	Axworthy (Winnipeg South Centre/Sud-Centre)
Bachand	Bakopanos
Barnes	Bélisle
Bellehumeur	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)

Bertrand	Bethel
Bodnar	Bonin
Brien	Brown (Oakville—Milton)
Bryden	Campbell
Cannis	Catterall
Chan	Chrétien (Frontenac)
Clancy	Cowling
Crête	Culbert
Dalphondu-Guiral	de Savoye
Debien	DeVillers
Discepola	Dumas
Dupuy	English
Fillion	Finlay
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gauthier	Gerrard
Godfrey	Godin
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Hickey	Hubbard
Iftody	Jackson
Jacob	Keyes
Kilger (Stormont—Dundas)	Kirkby
Knutson	Kraft Sloan
Lalonde	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Lee
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	Loubier
Maloney	Manley
Marchand	Marleau
Massé	McCormick
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
Mercier	Minna
Mitchell	Murray
Nunez	O'Brien (London—Middlesex)
O'Reilly	Pagtakhan
Paré	Patry
Peric	Peters
Picard (Drummond)	Pomerleau
Reed	Regan
Richardson	Rideout
Robichaud	Robillard
Sauvageau	Serré
Shepherd	Sheridan
St. Denis	Steckle
Szabo	Telegdi
Tremblay (Rimouski—Témiscouata)	Valeri
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Members

Frazer
Grubel
Hill (MacLeod)
Martin (Esquimalt—Juan de Fuca)
Morrison
Solberg
White (North Vancouver)

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Asselin	Brushett
Calder	Collins
Davialt	Dromisky
Dubé	Easter
Gagnon (Québec)	Goodale
Guay	Guimond
Landry	Laurin
Lefebvre	McKinnon
Murphy	Pillitteri
Rocheleau	Scott (Fredericton—York—Sunbury)
Tremblay (Lac-Saint-Jean)	Ur
Vanclief	Venne

The Deputy Speaker: I declare the motion carried. We will now proceed to orders of the day.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

BILL C-70—TIME ALLOCATION MOTION

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.) moved:

That in relation to Bill C-70, an act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related acts, not more than one further sitting day shall be allotted to the stage of consideration of Senate amendments to the bill and, fifteen minutes before the expiry of the time provided for government business on the allotted day of the consideration of the said stage of the said bill, any proceedings before the House shall be interrupted, if required for the purpose of this order, and in turn every question necessary for the disposal of the said stage of the bill shall be put forthwith and successively without further debate or amendment.

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.

• (1050)

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

(Division No. 277)

YEAS

Members

Alcock	Anderson
Arseneault	Assad
Augustine	Axworthy (Winnipeg South Centre/Sud-Centre)
Bakopanos	Barnes
Bertrand	Bethel
Bevilacqua	Bodnar
Bonin	Brown (Oakville—Milton)
Bryden	Campbell
Cannis	Catterall
Chan	Clancy
Copps	Cowling
Culbert	Cullen
DeVillers	Discepola
Dupuy	English
Finestone	Finlay
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gerrard	Godfrey
Graham	Gray (Windsor West/Ouest)
Grose	Guarnieri
Harb	Harvard
Hickey	Hubbard
Iftody	Jackson
Keyes	Kilger (Stormont—Dundas)
Kirkby	Knutson
Kraft Sloan	Lee
Lincoln	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Maloney
Manley	Marleau
Massé	McCormick
McGuire	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Minna
Mitchell	Murray
O'Brien (London—Middlesex)	O'Reilly
Pagtakhan	Patry
Peric	Peters
Reed	Regan
Richardson	Rideout
Robichaud	Robillard
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Members

Bachand	Bélisle
Bellehumeur	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Brien	Chrétien (Frontenac)
Crête	Cummins
Dalphond-Guiral	de Savoye
Debien	Dumas
Epp	Fillion
Frazer	Gauthier
Gilmour	Godin
Grubel	Hart
Hill (Macleod)	Jacob
Jennings	Lalonde
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Marchand
Martin (Esquimalt—Juan de Fuca)	Mayfield
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Landry
Lefebvre
Murphy
Rocheleau
Tremblay (Lac-Saint-Jean)
Vancilief

Brushett
Collins
Dromisky
Easter
Goodale
Guimond
Laurin
McKinnon
Pillitteri
Scott (Fredericton—York—Sunbury)
Ur
Venne

The Deputy Speaker: I declare the motion carried.

* * *

EXCISE TAX ACT

The House resumed from March 17 consideration of the motion and of the amendment.

The Deputy Speaker: The hon. member for Calgary Centre has four minutes left.

Mr. Campbell: Mr. Speaker, I wanted to clarify that we had concurred earlier at the time the debate was wrapping up that the hon. member for Calgary Centre had four more minutes. He was quite insistent in debate on several occasions that he had been done out of that time.

We are very happy to yield to him those four minutes that remain in his debate and then to carry on with the government side.

The Deputy Speaker: Would members of the Reform Party indicate if the hon. member for Calgary Centre is available?

Mr. Williams: Unfortunately, Mr. Speaker, the member for Calgary Centre is not available. Therefore he will relinquish his four minutes.

[*Translation*]

Mr. Lebel: Mr. Speaker, I would like some clarification. Will we not be moving on to the rest of the routine proceedings, the tabling of reports and so on?

An hon. member: No, no. We have moved on to government orders.

Mr. Lebel: So we are talking about Bill C-70?

An hon. member: Right.

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I am pleased to rise to speak to Bill C-70, which has come back from the Senate

with the amendments we had proposed as the elected members of this House forming Her Majesty's official opposition, but that the government had refused to hear.

And so, after a short trip to the Senate, where 104 non elected individuals made recommendations that mirrored the ones proposed by the official opposition and by my friend the member for Saint-Hyacinthe—Bagot, the bill is back, and the inclusion of the GST in the cost of consumer goods is delayed accordingly.

The official opposition contested the provision to include the GST in the price for the simple and valid reason we gave the government: "Face up to your obligations. When you advocate something, at least have the courage to say it was your idea". The fact that the cost of the GST will now be hidden in the price of the product is something public opinion, with the avalanche of information it is buried under, tends to lose track of. This is what the Liberal government was hoping for in starting to include the amount of the GST in the selling price immediately.

What still leaves me a bit perplexed is the fact that, when we in the Bloc proposed this amendment to the bill, nobody listened. And now 104 non elected individuals representing the parties in power more than the Canadian public, these honourable individuals are proposing to the government what we proposed. In a gesture of submission to a non elected authority, the government proposes to pass the bill as returned to this House with a provision for delaying the inclusion of the GST in the selling price.

• (1055)

Let me tell you, Mr. Speaker, and through you, tell the Minister of Finance—who I know understands and approves what I am saying—that it leaves a bitter taste in our mouths because it flies in the face of democracy.

When we go to the people seeking to get elected, we tell them that the House of Commons is where the decisions are made and legislation passed, the show place of democracy where ideas are tossed about in a spirit of camaraderie and unfailing honesty. Now we have a situation where a proposal was rejected out of hand when originally put forward by the official opposition, but reinstated after consideration by the Senate, these 104 non elected representatives who impose their will on this House. The worst of it is that, while number of senators is almost the same as the number of members of the official opposition and the third party combined in the House, the Senate has more influence. That was my comment regarding the fact that the bill was sent back to the House.

This week, my colleague, the hon. member for Saint-Hyacinthe—Bagot, asked the Minister of Finance, who was here at the time, when he would be compensating Quebec for harmonizing the GST. At second and third reading, Bloc members had raised and discussed this issue repeatedly and at great length. In response to another question by my colleague from Saint-Hyacinthe—Bagot at

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the beginning of the week, the minister said, again rather evasively, that Quebec had not lost anything by harmonizing and he therefore did not feel the need to compensate Quebec for losses that were not incurred.

The Minister of Finance knows full well that the provinces have the power to levy taxes on commercial activities, on the provision of goods and services, and so on. Within their jurisdictions, the provinces have the power to levy taxes, and it is always up to the provincial government to decide, for example, whether or not to increase personal income tax so that the sales tax can remain somewhat lower, which, in turn, promotes trade and boosts the economy. It is up to the provincial government to decide not to hit the taxpayers with an excessively high sales tax, but rather to draw its revenues from income tax.

In other provinces, like the maritimes, where unemployment is high and the labour force is much smaller than in central provinces like Quebec and Ontario, taxing the income of workers was not producing enough revenue, as opposed to sales tax. They therefore chose to keep income tax relatively low, but to make up it with a very high sales tax.

The minister contends that harmonizing their sales tax with the GST, which involved lowering their sales tax, created a 5 per cent shortfall. That is a totally arbitrary figure. I ask the Minister of Finance: Why 5 per cent? Why not 4 per cent or 8 per cent? Why 5? Because that is what he has agreed to with his friend, Premier MacKenna. They worked out the McKenna formula together and decided on 5 per cent to get a round figure of approximately \$1 billion.

● (1100)

This government hit the maritimes hard, more specifically in the fisheries sector and when it reduced personnel on military bases. Since it now wants to make up for this before the upcoming election, it has decided it would be 5 per cent. It could also have set the rate at 4 or 6 per cent. The government never really explained why it opted for 5 per cent. Where did that 5 per cent come from? Did it come out of the blue, or is it the result of some accounting method? We were never able to find out. The minister said to the hon. member for Saint-Hyacinthe—Bagot that God probably told him to set the rate at 5 per cent, and I do not doubt that for one moment.

In any case, this is profoundly unfair to Quebec, which willingly harmonized its tax with the federal GST, but did not get any compensation for doing so. Yet, this Liberal government has made all kinds of cuts in Quebec, just like in the maritime provinces. It did a number on Quebec, notably by closing the military college in Saint-Jean, thus depriving the local economy of millions of dollars. This decision was just as devastating to the residents of Saint-Jean

as the downsizing of military bases in Nova Scotia and New Brunswick was to the people in those provinces, but Quebec was not compensated. Quebec is not compensated because it is Quebec. It is the Prime Minister's home province. The Prime Minister can do anything he wants without being accountable to Quebecers. He took for granted not only his riding of Saint-Maurice but also Montreal's West Island, from west of St. Laurent Street all the way to the Ontario border, and that was enough for him.

So, Quebec was never compensated for the blows and the cuts it had to put up with. However, it is a different story for the maritimes. Thirty-two of the 33 seats in these provinces are currently being held by Liberals, and the government wants to keep them. It got a warning last fall when, contrary to all expectations, a Conservative government was elected in a maritime province. This is basically the reason why the Minister of Finance opted for that 5 per cent.

Quebecers must understand that. The decision whether to increase income taxes or the sales tax rate is a political one made by the provincial government. Quebec chose to increase income taxes, because it has a much larger workforce than all the maritime provinces put together. Therefore, it had the option of increasing income taxes while keeping its sales tax as low as possible, so as to revitalize the economy. However, this is not what happened.

From this point of view, the official opposition will never ask this government for enough. It is simply a question of justice. I have trouble understanding how a federal finance minister, such as the current one, can back the decision taken by certain maritime provinces to hang on to a separate sales tax and stand in Quebec's way when it prefers to raise income taxes and go with a lower sales tax.

But it amounts to the same total. Arbitrarily, without consulting, arrogantly even, the minister says: "No, Quebec has lost nothing; Quebec is losing nothing by having harmonized, so I owe it nothing". In reality, he wanted to win points with Acadians and Maritimers who were extremely disappointed because of lowered fishing quotas and EI reform. People in the maritimes are the hardest hit by EI reform because they have the highest unemployment rate in Canada.

● (1105)

So he had to do something with the election coming up; he had to be able to tell Maritimers: "It is true, you have lost some ground with respect to UI, because now you will have to work more hours for less UI, and in many cases you will not receive any at all because you will not have accumulated enough hours to qualify for benefits". All this left people pretty frustrated and irritated. I remember seeing the present Minister of National Defence heading off to speak at a public meeting in his riding and having to be escorted by RCMP officers who were armed because they were

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worried about a popular uprising in the riding. When a minister has to travel with a quasi-military escort in his own riding, that is proof enough that people are not happy.

I also saw the member for Beauséjour make a speech to people in his riding and get treated to quite a chorus of boos. People were unhappy because they felt they had been taken advantage of, cheated. With an election coming up, the government had to try to turn the public's attention elsewhere and the ingenious solution it came up with was to tell the maritime provinces: "Harmonize your sales tax with our GST and we will give you a cool \$961 million that you can dole out to try to pacify a bunch of unhappy people".

This is why I am among those predicting that an election will be called this spring. It is the same with a Christmas present. You remember it on Boxing Day, but come May or June, something you received the previous December 25 may have fled your mind.

In many cases, you can ask someone, even right after the holidays, what he got for Christmas. He will try to recall, but may have forgotten. It is the same with the government: it hands over \$961 million—my, but we are generous—and then decides the time is right to call an election.

It is like someone who wants somebody to forgive him for something. I have handled many matrimonial cases in my time and sometimes had to play the role of umpire. For example, I would often see a husband who had treated his wife rather violently, and she would be threatening to leave with the kids, and to demand division of the family assets. Then the guy would suddenly wake up and say to himself "Oops, it is time to do something". So he would send her roses, along with a card asking for forgiveness of course, and then everything would be fine.

That is a bit like the attitude of the present government. I do not wish to be vulgar in this House, but it gave the Maritimers a real kick in the pants, and now it is saying "If I want to be able to go back there and walk unashamed in the streets, I am going to have to buy back favour somehow". That is the explanation for the \$961 million.

Quebecers can learn a lesson from this, particularly those who are represented here by Liberal members, from the West Island for the most part: that a vote gained is a vote gained. They have no need to earn that vote, no need to deserve it, no need to gain these people's confidence, it is a given. They do not need to make any promises to them, to be nice to them in any way; they can even thumb their noses at them, for they know they will get their votes anyway.

• (1110)

That is the attitude the present Liberal government has toward those Quebecers who have what I consider the misfortune of

having elected Liberal MPs. Madam Speaker, you are indicating that my time is coming to an end, but I still have enough time to tell the Quebecers who voted Liberal out of fear, fear of the threat of secession, fear that the sovereignists were a bit too strong, that they have shot themselves in the foot. Perhaps it is time for them to start thinking that they too are important, that they too ought to be involved, that they too need to be able to have an MP who is up to the challenge of representing and defending them.

Where were the Liberal MPs in October 1994, the Liberals representing the West Island of Montreal, when there was an unprecedented attempt by Ontario members to break the Drug Patent Act regulations? Not a one was visible. They all disappeared into the woodwork. They were no more talkative than the fish in my aquarium: not a single word.

And where were they when raw milk cheese was being discussed this past spring? There was even a cheese tasting here in the rotunda, and the Quebec Liberal MPs were so scared to commit themselves that they would not even show their faces and taste the delicious cheeses the Caron family from my riding had brought in. They were absolutely magnificent cheeses, but what the Liberals would like to see on our tables from now on, as our premium cheese, is Kraft Cheez Whiz.

These attitudes must be spoken out against, but these folks do not make a move, because people will vote for them anyway. We know that people in certain ridings are so scared of the sovereignist threat that they will vote for them. They often add insult to injury by dozing off in their seats. I would ask them to reconsider Quebec's request. You owe us \$2 billion, when are we going to get it?

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, first I want to assure the hon. member that Canadians do not treat Quebec with disdain. I am sure most Canadians would agree that Quebec is a very important part of a united Canada and that we all share, enjoy and own a piece of every part of Canada.

In his comments the member, as other Bloc members have, talked significantly about the issue of some sort of a subsidy or the billion dollars. I am wondering whether the member is aware of the facts concerning the three provinces that are harmonizing. Just to refresh his memory, in Newfoundland and Labrador the current provincial rate is 12 per cent. The combined federal-provincial rate is 19.84 per cent and when it is reduced down to 15 per cent it is a savings of 4.84 per cent or a reduction in provincial revenues of 4.84 per cent. Similarly for Nova Scotia it is a 3.77 per cent reduction in provincial revenues. For New Brunswick the reduction is 3.77.

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In Quebec the combined rate is 13.96 per cent. The member will quickly appreciate that there was a significant loss of revenue to those three provinces. Quebec harmonized on a voluntary basis in advance of everyone else. The member knows that Quebec has benefited significantly particularly in terms of its exports because of the harmonized sales tax in Quebec of 13.96 per cent.

Is the member aware of the differential in the combined rates? Does he understand that the subsidies are not an indication of disdain for Quebec but rather a reflection of the adjustment or equalization of the revenue realities to the provinces involved?

[Translation]

Mr. Lebel: Madam Speaker, here we have a fine example of someone who prepared his question yesterday, I suspect, and is putting it anyway.

I have just explained in detail the very thing he just asked me in the form of a question.

Mr. Pomerleau: Absolutely. He did not understand.

Mr. Lebel: He is doing exactly what is done at other points in the stages of bills before they are sent to the Senate. I have just explained the government's choices, that the Government of Quebec chose to raise income tax and keep its sales tax low, whereas the maritime provinces kept their income tax low and their sales tax high.

• (1115)

With the sales tax lowered, his question is dumb. You did not understand anything. That is the problem. That is what I am doing my darnedest to explain to him. Clearly, however, he prepared his question yesterday or last week and he decided to put it anyway, even though I had just showed him in black and white that they were wrong in this.

Yes, indeed. I repeat, you are in the process of buying the maritimes' vote. That is what you are doing. At least have the courage to say so.

[English]

Mr. John Williams (St. Albert, Ref.): Madam Speaker, I was listening with interest to the member's speech. When Bloc members speak, I always wonder what happens to co-operative federalism which is that we all try to work together to create a better country. They always seem to say if everything is flowing toward Quebec they are happy and if it is flowing away to somebody else then they have a problem. I guess that is what they use to support their separatist position.

The point is this idea of the federal government's paying any province or the three Atlantic provinces the better part of a billion dollars to buy into the Minister of Finance's policy is quite repugnant. To think that Quebec would want to tie on to the same

type of subsidy is just as repugnant for the separatists who want to get money for their province.

I would have thought that if this policy of a harmonized sales tax was a good policy, the provinces would have bought into it, the people in these provinces would have bought into it and the premiers of these provinces would have bought into it, but they did not. That is why we have had a long debate.

Then of course the Minister of Finance was adamant that it would be tax in pricing. When the other House went down to Atlantic Canada and held these hearings, we found out that the premiers there did not like tax in pricing, the people there did not like tax in pricing and now the other House is asking us to reconsider. In order for the Minister of Finance to accomplish his agenda, he acquiesced to a request from the other House so that it can all be put in place.

The member talked about the harsh period in the province of Quebec. Look around at the growing economies elsewhere. In the province of Ontario it is going to be booming next year. An article in the *Globe and Mail* this morning stated that the economy in Alberta, where I am from, is going to lead the country in growth. Surely if they would abandon this whole notion of separatism, work toward co-operative federalism where they can take advantage of their unique opportunities in Quebec, work with the rest of the provinces to build prosperity, to create jobs, to ensure government is the smallest we can have, then people can prosper.

Why does the hon. member keep talking about the harsh problems in Quebec when most of us realize that they are caused by the lack of confidence in Quebec, caused by the fact that there are so many separatists sitting here and we have a separatist party in the legislature in Quebec? If they would endorse co-operative federalism things would improve.

[Translation]

Mr. Lebel: Madam Speaker, I thank the member for St. Albert. He at least prepared his question after my remarks. He did not write it three weeks ago.

On the other hand, when he tells me what constitutes Canada, I agree. There is a Chinese saying: "Feed a man a fish, and you feed him for a day; teach a man to fish and you feed him for a lifetime". That is sort of the way it worked with the provincial transfers the federal government has always made to Quebec. It gave us transfer payments to buy our groceries. Ontario gets the about the same amount, but in the form of industrial infrastructures, things that, as in the case of my Chinese fisherman, help provide a living.

• (1120)

That is the nuance the Liberals make. I see the member for Sault Ste. Marie jumping up. He will never admit it, of course, but that is the essence of the problem in the Canadian federation. Quebecers get a bit of money to stock their fridges, Ontarians get money to

build industries, to get people to work and process raw materials. There lies the injustice at the heart of this federation. What hurts the most is having a francophone who is in the process of losing his status shout at you that you are wrong. I am sorry, but that is Canada's history.

The member for St. Albert may be upset—it is his prerogative—but I say: “Be fair. Start treating Quebecers fairly. It is about time—you are 100 years late. Perhaps Quebecers will change their thinking about you”. Perhaps it will be easier to reach agreements.

It will not be by assimilating and frustrating us, as you have done for the past 100 years, especially as concerns Quebec's industrial development, and by setting up little tariff barriers. Free trade hurt you? Why? Because, now to stock my fridge I can buy from you or go elsewhere if you are too expensive. I could not do that before. That hurt you. Think about it.

[English]

Mr. John Godfrey (Parliamentary Secretary to Minister for International Cooperation, Lib.): Madam Speaker, I rise in support of the harmonized sales tax. I see it, as many speakers have said before me, as being part of a more efficient system of national taxation. I see it as being part of the wider construction of an economic foundation for Canada, allied with our efforts on deficit reduction and program review.

To me the real significance of the harmonized sales tax is the message it sends out to Canadians about our ability to work together. The real significance is the progress we have already made with the province of Quebec and with some of the Atlantic provinces in establishing the basis for a national harmonized sales tax.

If we can work together, as we have, on such a thorny question as the harmonized sales tax, what other good things can we achieve in that same spirit? What is the foundation that we are building and what is the future which we will build on top of that foundation?

We have to move beyond these economic foundations to some kind of view of ourselves which is grander and more important than the ones we have been concentrating on to date. We have to realize that out there beyond the harmonized sales tax is a series of greater projects, national projects which will allow us to attain greater goals. In order for that to happen, as we have done with the sales tax, we need to set timelines and priorities. We need to measure progress and outcomes.

Most of all, we have to recapture the spirit of working together in the execution of these projects because it is only by working together that all of us can recover our collective sense of optimism and hope as a country.

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In his 1996 budget the finance minister set out a vision of Canada for the new millennium. Successful countries do more than occupy a place on a map. They live in the souls of their people because they are relevant to the betterment of their lives. So for Canada it is time to set goals anchored in our shared values and our shared aspirations.

We have done that throughout our history, in the days when we dared speak of a national dream and then built it, in the days when we aspired to a kinder society and then created it. We have set great national challenges, not small ones, because it is only by reaching as high as we are able that we will discover how far we can go.

Why can we not decide together in the House and in this country that ten years hence Canada will be regarded as a world leader in the new industries of the new economy, in biotechnology and environmental technology, and in the cultural industries of the multi-channel universe? Why not decide that ten years hence increasing child poverty rates will be a thing of the past, that illiteracy will be erased from our communities and that when it comes to international tests our students will not simply do fine work but will be the very best? Why can we not decide together that medicare ten years hence will not simply survive but that it will be the most successful system in the world, a system which will be second to none?

• (1125)

Why not decide that 10 years hence our streets will be the safest they can be, not because we have the largest number of prisons or police but because we have faced squarely the causes of crime? I ask with the finance minister why not indeed.

Moving from that vision and those goals will require what the Prime Minister referred to last year as a domestic Team Canada. It simply means all of us working together. The harmonized sales tax has been an example, a difficult, trying example of us working together with the provinces to achieve a more efficient and fairer Canada.

National goals and national projects are not simply federal, they are national. They require all levels of government, federal, provincial and municipal, to work together. Beyond the kind of co-operation we have had with the harmonized sales tax, national projects require the participation of the public and private sectors, of trade unions and social activists, of professionals and volunteers. Above all, national projects demand the full participation of citizens.

National projects are of a scope and scale that no one sector of society can achieve in isolation. National projects allow us to mobilize all our resources as a country to achieve a great collective purpose. National projects remind us of why we need a country in the first place.

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The role of the federal government, as it was in the case of the harmonized sales tax, in promoting national projects, is to think of the interests of all Canadians. The federal government must put before Canadians a series of goals and invite their comments and participation, as we did in 1993 with our red book. The federal government must act as a strategic broker in forming the partnerships that can achieve national projects. The federal government can neither dictate, implement nor fund national projects by itself.

National projects demand that we put aside our differences and see Canada as a collective enterprise, a fate sharing vessel. We have to see ourselves as a society of mutual obligation, not simply a collection of provinces, interest groups and individuals. It requires thinking of ourselves as a national society to reach national goals by creating national projects.

In the 1996 budget the finance minister outlined an ambitious series of goals for the next decade. Our task as a government for the next four years, if we should be re-elected, is to choose four or five of these national projects which will have the strategic effect of fundamentally improving the lives of Canadians.

One such national project would be to set for ourselves the goal of making Canada the best country in the world for the care and nurturing of young children. If we could say of Canadian children from birth to the age of six that Canada has the lowest poverty rate, the lowest rate of child abuse, the best prenatal programs, the best parenting courses, the best child care programs, the best rate of school readiness by the age of six, the positive consequences for Canada would be enormous.

By this single national project we would have gone a long way to achieving many of the goals set out by the finance minister. Not only would we have reduced child poverty, we would have dramatically improved literacy rates and we would create solid base for future academic success and for employment success in the new economy.

If we could produce six year olds with the best coping and learning skills in the world, this would be the single greatest investment in improving subsequent adult health status that any society could make. These same competent six year olds will dramatically lower drop-out rates, delinquency rates and crime rates as they grow older.

What would be required to achieve such a project? Nothing less than a mobilization of all our resources, professional and voluntary, public sector and private, community by community, province by province, coast to coast. By enumerating and configuring all our existing assets, by setting goals, objectives and timelines, by measuring and monitoring our progress, by sharing results nationally through the Internet and by each level of government and each sector of society taking their share, eliminating duplication, co-ordinating efforts and filling gaps, this national project is eminently

achievable. Why indeed should we not attempt such things in our next mandate?

The harmonized sales tax creates a climate of working together which makes such national projects possible. It has been difficult but it shows us that such things can be done and that what we have to do is broaden our vision of a better Canada for the 21st century.

• (1130)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I hold my hon. colleague in high esteem since he always makes very intelligent comments. I would like to hold up some of his comments to some factual statements made by members from the maritimes.

The hon. member mentioned in his speech that Bill C-70 would increase efficiency and provide a climate of working together. I want to take the time to quote some statements from our provincial counterparts.

Ontario finance minister Ernie Eves said that the blended sales tax using the GST base would cost Ontarians over \$3 billion in extra taxes and put a kibosh on any other harmonization schemes. In the business community, the Retail Council of Canada said that by forcing stores to bury the new tax in prices, the harmonized tax regime was going to cost retailers at least \$100 million a year. The Halifax Chamber of Commerce predicted that the harmonized sales tax would push up new house prices by 5.5 per cent as well as force municipalities to raise property taxes. I have other examples. I am sure this is no news to the hon. member opposite.

In view of the statements I have just made, which contradict what the member said, I would certainly like to know how he can stand in the House and say that Bill C-70 and the harmonization of the tax is actually going to increase efficiency and provide a climate of co-operation. Clearly many members in the business and political communities in the maritimes and the rest of this country are blatantly against it.

Mr. Godfrey: Madam Speaker, there are three parts to the answer.

Any system which removes a layer of administration, that is to say so that a tax is put together and collected by only one group of tax administrators, must by definition be more efficient than two separate tax regimes. That is the first answer.

The second answer is that opinions are clearly divided regarding the efficiency and ultimate consequence of this tax because those in other provinces such as New Brunswick, take a totally different view. They see this as a tremendous economic advantage.

The third response is that the government has shown itself to be remarkably flexible in wanting to accommodate the wishes of the individual provinces to overcome the deficiencies that may be present in such a scheme. It is that third element of flexibility,

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negotiation, reasonableness and working together which I would wish to emphasize, because it is in that spirit that this country will move forward.

Mr. Martin (Esquimalt—Juan de Fuca): Madam Speaker, the hon. member brought forth examples from New Brunswick and said that New Brunswickers are in favour of this. I would like to cite some examples from New Brunswick.

The Canadian Real Estate Association said that the harmonization will increase the cost of a new house by \$4,000 in Nova Scotia and by \$3,374 in New Brunswick. The GST harmonization will be responsible for the closure of five Greenberg stores and a loss of 79 jobs in Buctouche, Dalhousie, Moncton, Sussex and Saint John. The management of this chain said that there is a 50-50 chance of further store closures and a loss of 71 jobs in such places as Shediac and Moncton. These are very specific examples of what the harmonization will do in the province of New Brunswick.

Again, I would like to ask how the hon. member can say in this House that the harmonization of the GST is actually going to improve efficiency and increase co-operation when provinces in the maritimes are blatantly against it.

I agree with the hon. member that a harmonization with a decreasing tax base would benefit the provinces and individuals but it has to be a substantial decrease in the taxation on individuals.

Furthermore, I would like to bring to the hon. member's attention that the government is actually nibbling around the edges on this issue. Since being elected the government has introduced 36 tax increases. What has been the impact of the 36 tax increases that his government has introduced over the last three years on people not only in the maritimes but also in the rest of Canada?

• (1135)

Mr. Godfrey: Madam Speaker, let me turn first to the opening comments in that question which deal with the whole question of efficiency.

The devil is clearly in the details. The purpose of the GST was to replace the manufacturers sales tax and to create a more efficient tax to net out the same amount of money. In harmonizing the sales tax we retained that goal of wishing to have exactly the same amount of money but arrived at in a more efficient way. This will indeed allow us to lower the overall tax rate in the direction which was supported by the hon. member.

As to the hon. member's second point about 36 tax increases—

The Acting Speaker (Mrs. Ringuette-Maltais): I am sorry the time has expired.

Mr. Roy Cullen (Etobicoke North, Lib.): Madam Speaker, I am pleased to rise today to speak in support of Bill C-70. Passage of this bill will be a major step forward in our efforts to reform the goods and services tax.

As of April 1, 1997 the harmonized tax will replace the GST and provincial sales taxes in the provinces of Nova Scotia, New Brunswick, and Newfoundland and Labrador. This new system will benefit both consumers and businesses in these provinces for the following reasons:

Consumers will have lower tax rates and on many goods will pay lower taxes. Businesses will have to deal with only one tax, one rate, one base, one set of forms and one administration. Businesses will not have to pay taxes on goods which they export from their province. That means more exports and more exports means more jobs. Businesses in the three Atlantic provinces will be able to compete on an equal footing with businesses elsewhere in Canada thanks to a national approach to interprovincial sales.

The detailed agreement between Canada and these provinces means more efficient and less costly government. It will eliminate existing duplication and overlap in the administration of sales taxes in Nova Scotia, New Brunswick and Newfoundland and Labrador.

Let me now outline what harmonization means for consumers. Consumers in the Atlantic provinces who have endorsed this agreement have to pay provincial and federal sales taxes, but the existing system is very cumbersome, costly and complicated. The new harmonized system will be simpler, cheaper and more clear. The detailed agreements announced by the federal government and the governments of the three participating provinces will benefit consumers in a number of different ways.

First, it will mean a lower combined tax rate. To be specific, in Nova Scotia and New Brunswick the new combined rate of 15 per cent—7 per cent federal and 8 per cent provincial—will effectively be four percentage points lower than it is now. In Newfoundland and Labrador the combined rate will effectively be five percentage points lower.

The new system will mean lower prices on most goods not only because the combined rate will be lower, but because hidden provincial sales taxes will be eliminated. Under today's provincial retail sales tax system, businesses are taxed on items they buy to make their products, deliver their services and keep their businesses going. That will no longer be the case as of next month.

It is true that the new system will mean that consumers will pay tax on a broader range of goods and services. At the same time, spreading the tax burden in that way makes it possible to keep the HST rate at a reasonable level. Taxpayers will have the assurance

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that their federal and provincial governments are working more effectively by eliminating needless and costly duplication.

What does harmonization mean for business? The new sales tax system will be simpler, less costly and more efficient. It means one tax, one rate, one base and one administration.

A harmonized system will be particularly advantageous for small business which bears disproportionately higher costs today, the costs of dealing on a daily basis with two separate sales tax systems. For example, under the new system small businesses with less than \$30,000 in taxable sales will no longer have to register for either the federal or the provincial sales tax.

For all businesses there will be no separate requirement to register for the new harmonized tax. Businesses registered for the GST will automatically be registered for the harmonized tax. In addition, there will be no requirement to report separately tax collected and remitted at the 15 per cent rate or input tax credits claimed at the 15 per cent rate. Tax remittances will be made on the existing GST return.

• (1140)

The new sales tax system will help to make businesses in Nova Scotia, New Brunswick and Newfoundland and Labrador more competitive. That is because exports from these provinces will be free of existing provincial retail sales tax on business inputs. Furthermore, they will be free of that tax when they compete with imported goods.

Because of the amendments proposed by the other House, we will have to postpone tax included pricing until such time as more provinces have harmonized their sales taxes. This delay is very regrettable because Canadians have told us in no uncertain terms that they prefer tax included pricing. However, the more important objective at this time is to implement the harmonized sales tax on April 1 so that the Atlantic provinces can begin to reap the benefits of this new sales tax system.

I should point out that this legislation we are debating today incorporates a vast number of technical amendments to the Excise Tax Act that will benefit all Canadians. It is important to proceed without delay for this reason also.

As I said earlier, businesses will be able to claim back all the sales taxes paid on the goods and services they purchase. Currently they can only get credit for the GST they have paid, not the provincial sales taxes they have paid.

We can be sure that the premiers of the Atlantic provinces understand very well that the harmonized sales tax will allow businesses in those provinces to have a competitive advantage over businesses in those provinces that have not harmonized.

Notwithstanding the comments of my colleague from Esquimalt—Juan de Fuca, sometime ago the premier of Ontario recog-

nized that harmonizing the sales tax in Ontario was the direction Ontario should take. He is on record as having endorsed harmonization. He may have flip-flopped later but we are getting used to that. Frankly, I am not sure what the delay is. By delaying harmonization in Ontario, the province is depriving consumers and businesses in Ontario of the benefits of harmonization.

In terms of construction, some in the construction industry would like to see the GST eliminated. To do that we would have to raise taxes or we would not be able to deal with the deficit. The reason the construction industry is working so hard today and business is up in absolute terms an incredible amount is because of the fiscal policy of this government and the fact that we have been able to reduce interest rates to 40 year lows. To say that the construction industry is not in favour of this tax is really stretching the point.

Businesses in Ontario now pay \$2.8 billion in hidden taxes to the Ontario government. Exporters in Ontario will also gain with a harmonized tax because goods produced in Ontario will no longer have these hidden taxes embedded in their price when they are shipped abroad. It is the export sector that has been creating most of the jobs in Ontario over the past few years. In fact, international exports now account for 44.5 per cent of Ontario's economy. That is why it is vitally important to make our exports as competitive as possible: exports create jobs.

Although exports are non-taxable, it is estimated that the value of Ontario exports includes about \$825 million a year of embedded provincial sales tax. We better believe that Mr. McKenna in New Brunswick understands that very well.

With these delays, businesses in Ontario, in particular small businesses, are unable to simplify their tax reporting procedures. Independent studies have suggested that Ontario businesses, again notwithstanding the comments earlier of my hon. colleague from Esquimalt—Juan de Fuca, could save between \$200 million and \$300 million as a result. These are independent studies; this is not the Ontario government speaking. In addition, the Canadian Institute of Chartered Accountants estimates that it costs the Ontario government about \$40 million a year to run the provincial sales tax system.

What are the consequences if businesses are not competitive? If businesses in Ontario are not as competitive as companies in the Atlantic provinces and Quebec—because Quebec has harmonized, much to its credit—then over time this will translate into fewer jobs for Ontarians.

The efficiencies that would result from a harmonized sales tax in Ontario could mean that a combined tax could be implemented at a rate of 14 per cent, not a 15 per cent combined rate. This effectively means that the GST could be reduced by a full percentage point right now in Ontario. If the political will existed at Queen's Park,

that could happen. As I said earlier, harmonizing the sales tax in Ontario would provide the opportunity to reduce the GST by one point right now through increased efficiencies.

• (1145)

A number of organizations in Ontario have endorsed harmonization. I will not refer to them all, but some of them are the Canadian Health Care Association, the Association of Universities and Colleges of Canada, the Canadian School Boards Association, the Canadian Institute of Chartered Accountants, the Canadian Manufacturers' Association and a range of other ones. For these reasons I urge members to support the bill.

I would like to turn briefly to general tax reductions because some political parties in Canada are advocating general tax cuts. The government is saying that it would like to move to tax reduction at some time. It has already made some targeted tax cuts for those in need and in important strategic areas.

It would be irresponsible to make general tax cuts now. At the very least we have to wait until the deficit is under control and we have invested in our social programs to the extent needed.

I urge all members to vote in favour of Bill C-70.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I thank my colleague for his speech and would like to ask him a number of questions on some important issues he addressed, in particular on improving the export potential of Canada.

Our standard of living is largely dependent upon our ability to export. Competitiveness in export markets relies on lower taxes, a strong educational system and a situation that decreases the barriers to trade. Over the last 3.5 years the government has seen fit to pursue a strategic economic course that has increased taxes 37 times. The most recent one is the increase in CPP which basically took \$10 billion out of the hands of consumers.

With respect to education, the backbone of our ability to be competitive in the world, the government has chosen to remove \$7 billion from transfer payments to the provinces. This has significantly compromised the ability of students in Canada to get the training they will need in the future to compete with students from as far away as Tokyo and Moscow.

Barriers to trade are a significant deterrent to our competitiveness. Why has the government chosen to nibble around the edges of the issue of interprovincial trade barriers to such an extent that today there are fewer barriers north-south than east-west? It is absolutely essential for all companies in the country to be able to work in an environment free of egregious government control.

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Interprovincial trade barriers are probably the greatest deterrent to our companies being competitive.

How can the member stand in the House and talk about competitiveness when the government has done numerous things to make Canadian companies uncompetitive?

Mr. Cullen: Madam Speaker, I thank the member for Esquimalt—Juan de Fuca for his comments.

I believe firmly that exports are a key to Canada's growth. Our government has done an incredible job in this area. Our exports to the United States have reached record highs.

To accomplish that we have travelled abroad with Team Canada, which resulted in the landing of a huge number of business deals.

In addition, in terms of trade barriers the government has been very active in breaking down trade barriers around the world and in forming regional trading agreements with NAFTA, Chile and Israel. There are more on the way.

The member mentioned a number of points including the CPP. The government is investing in the Canada pension plan to make it actuarially viable in the future. It is not unlike the pension plans of many corporations that are out of date with respect to the age mix and the demographics. The population is getting older.

As a government we are not doing anything different from what many corporations are doing. We see on their balance sheets that their pension plan is actuarially underfunded and they will build up the fund over a number of years. This is the responsible course to take.

• (1150)

With regard to transfer payments, our transfer payments to the provinces after considerable warning have been coming down at the rate of 4 per cent to 5 per cent per year while we have been cutting our own programs by 8 per cent or 9 per cent.

If we look at federal transfers in Ontario they comprise 2 per cent to 3 per cent of total government revenues. If Ontario is having some difficulties in funding health and education, it has nothing to do with federal transfers. It has everything to do with the Conservative government's provincial tax cut. It has made those choices and has set those priorities.

I agree with the member that we need to bring interprovincial trade barriers down but not in the high handed manner proposed by the Progressive Conservative Party. We have to be assertive but we have to work co-operatively with the provinces.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, it is a pleasure to speak on Bill C-70 which deals with the harmonization of the GST.

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I would like to discuss a number of issues concerning the competitiveness of Canada's economy and the inability of government to provide small and medium size Canadian businesses, the economic backbone of our nation that employs most people, with the tools to enable them to be competitive not only within the nation but outside the nation.

It has been a great disappointment for me to see the government repeatedly ignore constructive suggestions made by our party and other parties, indeed by backbench MPs of all parties through private members' bills. We have given the government opportunities to make our country greater and stronger. It has repeatedly played politics with the economics of the country. Rather than trying to do the right thing, it has chosen to do the political thing.

Competitiveness relies on a number of issues. It relies on a strong education system. It relies on strong investment in research and development. It relies on a taxation structure that does not hang around the necks of Canadians and corporations like a noose which is pulled progressively tighter and tighter until individuals and companies cannot take any more. It also relies on a structure of rules and regulations that do not inhibit the ability of our private sector to function.

It is unfortunate that over the last 20 years a series of Liberal and Conservative governments have taken it upon themselves to do the exact opposite of what is necessary to make our economy stronger.

The government has chosen to eviscerate education by removing \$7 billion in transfer payments to education, health and welfare. That is not the way to build a strong economy.

Our students do not only compete with students in Toronto, Vancouver, Quebec City, Montreal and Moncton. They compete against students in Tokyo, New Delhi, Cape Town, London and New York. The world has a global economy. The traditional nation state borders have virtually disappeared. The globalization that has taken place has made it such that nation states are secondary to the movement of capital and the rules and regulations among different groups of countries.

It is imperative for the government to take a leadership role to maximize the ability of students in secondary and post-secondary institutions and of people in the workplace. They should have access to the skills that will enable them to be competitive. We have to continue to learn to keep our skills up and to ensure that companies are competitive.

• (1155)

It is an unfortunate statistic the money invested in training workers is among the lowest of OECD nations. I believe Canada places 33rd of all OECD nations in its ability to train its workers. That is an absolute embarrassment.

Over the last 15 to 20 years our competitiveness has repeatedly and consistently gone down. Our competitiveness now ranks along with that of Italy. This is an ignominious statistic and not one that we should be proud of.

The solutions to these problems are not rocket science. As I have said before, they have been repeatedly presented by members of the House over the last 3.5 years.

With respect to research and development I congratulate the government for putting \$800 million into research. It is the first time that has happened in a long time and I hope it continues. Research is another underpinning of our economy and the ability for us to be competitive.

With respect to taxes the government has done an absolutely appalling job and the HST is but an example. I have demonstrated in my questions that the HST will not provide for tax relief for Canadians or for our companies. It will not do anything of the sort. In many instances it will actually increase taxation levels and the burden upon companies.

The Canadian Federation of Independent Business indicated what it felt was important about harmonization and where the proposal of the government under Bill C-70 actually failed. It indicated that a properly harmonized system of sales taxes was far more preferable to the mess we currently have. However, it continued, properly harmonized is defined by the small business community as having one sales tax system across the country at a lower rate than would occur by simply combining the GST with the respective PST with one set of rules and one set of audit procedures, a single remittance requirement and one tax collector.

That does not occur here at all. That is quite unfortunate. The government has had an opportunity. It must provide a harmonized sales tax and decrease the inefficiencies in the system. We are in favour of doing it in the manner in which the Canadian Federation of Independent Business has put forward to the government and to the finance minister. However it was ignored. It is essential, if the government is to harmonize, to bring taxation levels down.

This again is just nibbling around the edges. If the government were truly interested in eliminating that which compromises the ability of our companies to be competitive, the taxation levels, it would not have increased taxes 37 times since it was elected. It is utterly disingenuous for the government to tell Canadian taxpayers that it has not increased taxes. Just a few weeks ago the Minister of Finance increased the CPP payments by 10 per cent over the next few years. The contributions are akin to a tax increase that removes \$10 billion from the hands of companies and individuals. That will cost jobs all over the country.

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On the one hand we have the government nibbling away on a harmonized sales tax which will not do anything to increase efficiency and reduce the tax burden. On the other hand, on a much larger scale it has increased the tax burden on Canadians. Every family has had its taxes increased by thousands of dollars since the government was elected.

That is part of the reason we have an underground economy which is growing by leaps and bounds. It is part of the reason why when we talk to small and medium size businesses they say they cannot hire anybody because all they do is work and give their money to the tax man. That is what is happening.

In 1992 the government of the day chose to decrease taxes. What happened? The economy was stimulated. Revenues to the government actually increased. What did the government do then? It started to tax wildly. This does not make any sense.

There are numerous examples from around the world to demonstrate that there are ways in which to decrease our taxation system. It can be done in such a way that government revenues will increase and it will be a stimulus to the economy.

• (1200)

The other object in trying to make our companies more competitive is the government getting its own fiscal and monetary house in order. Three and half years ago we provided the government with a concise, specific, detailed and logical plan to bring our deficit down to zero and produce a surplus budget. Right now we would not have deficit spending if the government had chosen to take up our plans. But the government did not adopt our plans and as a result we have a debt that is \$100 billion higher today than before.

We have a situation where instead of spending 25 per cent on the moneys taken in by the government, the government now has to pay 40 per cent, that is 40 cents out of every dollar it takes in just on interest on the debt. That is the single greatest threat to all our social programs. If we liken the situation to a pie, when we were elected in 1993, only a quarter of that pie went toward payment of interest on the debt. Now it is 40 per cent and soon enough it will be 50 per cent. As time passes, as our debts increase, as our interest payments on those debts increase, less and less money will be available to pay for health care, education, welfare, the guaranteed income supplement, old age security, all of those fine social programs we have. All these programs that protect people who do without, who have not, that are meant to protect them so they do not suffer, are being compromised.

Government members like to claim they are the great white knights, that they are the compassionate ones, that they are the ones who are trying to protect the poor and the underprivileged. However, they are actually doing an absolutely huge disservice to

Canadians, in particular the poor, by not getting our fiscal house in order.

Fiscal irresponsibility, not getting our deficit down to zero which would produce a surplus budget and bring down the debt, is the single greatest threat to our social programs and the single greatest threat to the poor and the underprivileged. It is the single greatest threat to our ability to provide health care to Canadians in a timely fashion. However, the government continues to play political football with these issues and not lead from the front. It is leading through polls and focus groups but it is not saying what it is going to do.

Perhaps the flavour of what the government has been doing in the last three and a half years can be summarized by an Italian politician from the 19th century who said something like this: "There go my people. I had better find out where they are going so I can lead them". In effect that is what this government has been doing for the most part over the past three and a half years.

However, the government has done some good things. I commend the government members on their ability to increase free trade, in particular in the new Canada-Chile free trade agreement. I applaud them in trying to establish links with other countries. This is very important and they must continue to pursue that as part of their agenda.

There are other issues the government has failed to do which compromise all provinces. In particular, it has compromised the people of Quebec on the issue of Quebec sovereignty. If we look back at history we find that the issue of Quebec nationalism and Quebec sovereignty is something like a sinusoidal curve with public interest on the y axis and time on the x axis. Public interest and political interest increases to a fervour at referendum time. As soon as the referendum is over interest declines to a nadir.

Unfortunately the premier of Quebec, Mr. Bouchard, and the Parti Quebecois are working very strongly to pursue an agenda for separation. Given this very obvious fact, the government is doing nothing to improve interprovincial relations, devolve some federal powers to all provinces, not just Quebec, in a way that would improve the efficiency services like housing, education, manpower and training, health care, which provinces already have responsibility for but which the government attaches strings to.

• (1205)

These are all issues from which all provinces can benefit. If the government were to take a leadership role, it would sit down with all the provinces and ask them what it does best as a federal government and what they do best as a provincial government and then devolve those responsibilities. The feds should do what they do best and the provinces should do what they do best. This would

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increase efficiency and decrease the burden on the taxpayer through decreasing costs.

Instead of taking this initiative, the government has done absolutely nothing since the last referendum on this issue. Despite what some people might say, the threat of separation and the threat of a unilateral declaration of independence is causing great uncertainty and is crushing the economic lifeblood out of Quebec.

It is a sad thing for me to see what a wonderful city Montreal was—it still is—an incredible, lively, vibrant and economically strong Montreal when I lived in Toronto in the 1970s and 1980s, a place everyone looked to as being a magical place which had so much to offer to Canada. Unfortunately the threat of separation has gutted its economic ability and has decreased the moral of people there. It is a very sad thing to see. It is compromising their ability to get on with their lives and build a strong city not only for Quebec but for all of Canada.

Furthermore, it is compromising the ability of all people of Quebec to be socially and economically strong and stable as individuals, families and communities.

I challenge members again to look at the proposals the Reform Party put forward prior to the last election. They are sensible proposals, fair proposals and proposals that are for all Canadians across the country equally. They are not predicated on a distinct society for one province. They are not predicated on providing laws and regulations and privileges for one province over another. They are based on giving an equal hand to all provinces and all Canadians for the betterment of all people.

I encourage everyone to do this because if the government does not take this issue seriously, if it does not address this issue now, when the next referendum comes along the government will be scurrying to put forth a plan and it will be too late. We will help put forward a good plan for all Canadians. We will help build a stronger Canada for all Canadians. However, we ask this government's co-operation.

We also ask for the co-operation of all honest, well meaning people in Quebec that if they are interested in building a stronger province for themselves, their families, their children and their communities, if they are interested in building a stronger nation, they must join with all of us to do this.

It would be interesting for them to know, if this ever gets out to the people of Quebec, that the issues, fears and aspirations that the people of Quebec have, by and large, are very much the same as those shared by Canadians in every single province.

I do not care whether someone lives in Cache Creek, British Columbia or in Nanaimo, Victoria, Baie Comeau, Toronto, North Bay or in Shediac, the aspirations and the fears of having a job,

living in a safe environment, having a future for oneself and one's children and having a stronger future for everybody are shared by all Canadians.

It is within that area of communality that we must come together to build a stronger nation. If we continue to divide this country up into areas, the west, central Canada, the maritimes, Quebec, francophones, anglophones, immigrants, hyphenated Canadians, if we continue to do that then we will have a balkanized nation and we will be just but a shadow of what we can be as a nation.

• (1210)

If, however, we lead from that front and come together in an area of common interest, shoulder to shoulder to build a stronger nation, indeed that is what we will have. We will rightly take our place in the international community as one of its leaders.

Mr. Roy Cullen (Etobicoke North, Lib.): Madam Speaker, I thank the hon. member for Esquimalt—Juan de Fuca for his very considered comments. I would like to talk to the hon. member's comments with respect to taxation and some of the myths he and his party have been promoting about the government's increasing taxes.

I would like to speak briefly on the question of skills, training, research and development and how that is so important to achieving our competitive position in the world and creating more prosperity for Canadians.

While I would not say that in R and D and training we have and are doing everything that we should as a government, we are providing some leadership in these areas. For example, I attended an award ceremony in my riding for 14 young students who had just come through an internship program.

They had been offered internship positions in companies and they were able to develop their skills on the job at Humber College. They were then in a position to go into these companies full time. The companies took the risk, gave them the chance to development their skills and now they have a job. They have some experience and they are employed. I am sure they will add value to these companies. That is the kind of thing we should be doing more of because young people today are in the dilemma of not being able to find jobs because they lack experience.

In the last budget we introduced there were 19,000 new internship positions created. This will allow young people to enter the work force and create the skill sets that are going to be needed.

I am working on a project in my riding, the telecommunications learning institute, which will create the skills that are going to be needed by the telecommunications industry in the future. These initiatives are very positive. We are doing much but we could be doing more perhaps.

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In the area of innovation the hon. member graciously acknowledges the \$800 million the government has put into the Canadian foundation for innovation. This is a hugely beneficial initiative that will help to build our technology infrastructure and allow us to be very competitive.

With respect to taxes there is a lot one could get into but without the time I will not do that. I have not looked at the statistics lately but it is my understanding that direct foreign investment into Canada is still very strong and positive. If the tax burdens in Canada were so bad for business why would they not stay away? I find it mischievous to say the least that the hon. member and his party talk about the government's increasing taxes. I do not know how many times I have seen our finance minister stand up with his budget and say the words no new taxes. I did not see the parties opposite challenge him then.

I think they are playing on words with respect to indexing of deductions and personal exemptions which are effectively in their jargon or in their political rhetoric. We have increased taxes to the banks. We have closed loopholes and we have a much larger tax base because of a much stronger economy.

Mr. Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I commend my colleague from the Liberal Party for his innovation and initiatives in his riding. It is a very important thing to do. Canadian youth are looking for leadership in their political leaders in pursuing that.

However, let us talk about taxes for a moment. There have been 37 tax increases and I will give a couple of examples. The last was the CPP increase which is going to remove \$10 billion from the pockets of Canadians and is going to cost jobs, jobs, jobs.

Second, the increased gasoline taxes have spread across to all Canadians. Those who hurt the most are those who are poorest because they are on fixed incomes.

• (1215)

I also raise the cold, hard salient fact that our country has been burdened by the highest, consistent level of unemployment at 10 per cent since the government was elected. Those are facts and that is the state of affairs of our economy.

I am sure the hon. member goes into his riding to speak to businessmen. He cannot get a message that is different from what the rest of us hear. They must tell him that their greatest restriction in their ability to be competitive is the taxation levels that are crushing the daylight out of them. The government has done nothing about it.

One need not look any further than at the underground economy which is growing by leaps and bounds. Members do not have to take my word for it. They can go into their own ridings to find out.

It is the palpable, factual evidence that we have to demonstrate the economic proposals of the government have not improved our economy but have crushed it.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I want to touch on the issue of the CPP as a tax increase. We all know we are talking about semantics. Generically we refer to deductions on someone's paycheque as payroll taxes.

As a chartered accountant I look at the income statement or the revenue and expenses of a government. If Canada pension plan contributions by employees and employers are collected by the government, why it is that those premiums do not get added to government revenues?

Let us look at the definition of a tax. A tax is something that increases government revenues. The member will well know Canada pension plan premiums do not increase government revenue. They go into an investment fund for the future benefit of those contributing to the Canada pension plan.

In order to sustain the Canada pension plan program for all Canadians and put it on a stable footing forever premiums have to go up. Today's pensioners are getting about \$8 for every \$1 going in. If the premiums go up for individuals, all other things remaining equal, it is a greater deduction on their personal tax returns. This means they will pay less tax on the same level of income, which again reduces government revenue.

Even corporations that have to match the employee's contribution to CPP will be paying a little more over the years as the premiums increase to make sure those benefits can be provided. That means the deductions for businesses on employee benefits will go up. Corporations will pay a little less income tax than they otherwise would, all other things remaining equal.

On balance, we know the CPP premiums do not go into revenue. We also know that individuals and corporations are paying less tax because of the CPP increases, which means that the deficit actually has increased for the Government of Canada simply by raising CPP premiums.

The irony, though, is simply that CPP premiums do not go to government revenue and do not reduce the deficit. I ask the member to answer this question. If it does not go to government revenue and it does not reduce the deficit, how can we call it a tax?

Mr. Martin (Esquimalt—Juan de Fuca): Madam Speaker, I am very glad my hon. friend actually agrees with me that CPP is a payroll tax.

By an extension of his argument he would also have to agree that employment insurance is a tax and employment insurance is running a \$6 billion surplus.

Mr. Williams: That goes into government revenues.

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Mr. Martin (Esquimalt—Juan de Fuca): That goes into government revenues. The member cannot have it both ways. Where the money is going is not the issue. The fact is that this money has been yanked out of the pockets of individuals and companies. It is a price they must pay.

• (1220)

Interestingly enough this is not the end of it. The chief actuary has said that the CPP is actuarially unsound. This increase is not the end. As the baby boomers start to retire it is quite likely it will increase from 10 per cent to 14 per cent. As I said, it is money that comes out of the pockets of individuals and companies.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Madam Speaker, I too am pleased to speak to Bill C-70, the Senate amendment and the government's response to this Senate amendment, on which we are being asked to vote.

At this stage of the game regarding Bill C-70, the GST bill, it may be useful to review a bit of the history of the bill, so that our listeners know exactly where things stand.

First of all, one must realize that Bill C-70, together with the Senate amendment and the positive response from the government, is the result of an election promise. That is how the GST bill got its start.

In the March 11, 1996 edition of the *Globe and Mail*, the Deputy Prime Minister was quoted as saying:

[*English*]

"I have already said personally and very directly that if the GST is not abolished I will resign".

[*Translation*]

We will recall that the Deputy Prime Minister made that commitment precisely because a promise had been made to kill the GST. The cost of this empty promise, at least inasmuch as it relates to the Deputy Prime Minister's decision: \$500,000. That is how much the byelection in the riding of Hamilton East cost. Strangely enough, although the Deputy Prime Minister had made a promise to all Canadians and Quebecers, she let the people of Hamilton East settle the issue on behalf of all Canadians.

During the 1993 election campaign, the current Prime Minister said, and I quote: "We will scrap the GST". To scrap means to kill, to eliminate, not replace the tax with more of the same, just by changing the name of the tax, to make it look like the election promise was kept.

On May 2, 1994, the Prime Minister made the following statement about the GST: "We hate it and we will kill it". On the basis of this election promise, as we know, the Deputy Prime Minister was later forced to resign and run in a byelection.

The Minister of Finance has said openly both in this House and outside: "We should never have made such a promise. It was a mistake".

As for the Prime Minister, he maintains he never promised any such thing. We have the videos, and the press clippings, in French and in English, to prove he did, but he still maintains he never said it. We now know what people think of this unfulfilled promise about the GST. In fact, there are many unfulfilled commitments made by the Liberals, including: tearing up the free trade agreement that was signed; recognizing Quebec as a distinct society and giving it a veto, something that was never done, as Quebecers know; deprivatizing Pearson airport, and we are all aware that this issue has become a real mess; creating jobs, but the number of unemployed is just as high as it was when the Liberals took office, while there are an additional 500,000 children living in poverty.

These were promises made during the election campaign. I remember taking part in a debate, in my riding of Anjou—Rivière-des-Prairies, with my opponents of the time. People asked each and everyone of us what we would do with the GST.

I remember that the Liberal candidate of the time, Normand Biron, said the GST would be abolished, which was his party's official position.

• (1225)

I have no grudge against Mr. Biron, who is an excellent person. He is also a good, intelligent and strong candidate, who is familiar with the issues and who is very involved in the local community. Strangely enough though, the Liberals are trying to get rid of him. They have chosen someone from Quebec City to run against Mr. Biron for the Liberal nomination. That person will have to resign in Quebec City to run against Mr. Biron. I find it sad that the higher ups in the Liberal Party are trying to get rid of one of their best people.

What did the Liberals have to say about the GST when the Conservatives were trying to put it in place, and when they formed the opposition? Here are some excerpts from the November 1989 Liberal minority report on the GST. These comments were made when the Liberals formed the opposition. On page 283, and again these remarks are from Liberal members, we find the following: "The Liberal members of the finance committee maintain that the goods and services tax proposed by the Tory government is bad and that no 'repair job' of any kind will make it fair for taxpayers".

What are the Liberals doing with Bill C-70, if not a repair job? The GST remains the same and its rate remains the same. In fact, it is the provincial tax that is being harmonized. The Liberals are only doing a repair job on the Conservatives' GST and, if we are to believe their own words, given that only the name of that tax was changed, this new HST is as bad and unfair for taxpayers as the old GST.

Here is another excerpt from the Liberal minority report of the time. This one is from page 300, and I quote: "Sales tax reform cannot be undertaken independent from income tax reform, corpo-

rate tax reform, social welfare reform or independently of the other levels of government. Canada is in need of an overall tax reform that encompasses all forms of taxation and all levels of government”.

The fact is that no tax reform took place. The Bloc Québécois is the only party that tabled a comprehensive study on tax reform, for both corporations and individuals, which is a first in Canadian history. The fact is that on certain occasions governments have proposed tax reforms, but it has never happened, in the whole history of Canada, that an official opposition party has proposed these reforms to the government, after studying them with the resources available to the opposition for research, resources that are meagre compared to the absolutely enormous resources available to governments.

After these broken election promises, Bill C-70 was introduced in the House, went to second reading, to committee, and then to third reading, as a cover-up for the unkept promises. We know that in many other cases, cover-ups have been the standard procedure.

There is the tainted blood inquiry, the Krever inquiry. There is the Airbus affair, where top-ranking government officials sent letters incriminating Mr. Mulroney, treating him like a criminal, to Europe, when it is common knowledge that Canada has a very strict law known as the presumption of innocence. This law says that people are officially innocent—in the best sense of the word of course—until proven guilty.

But these laws were ignored. In official letters from the government, outside Canada, Mr. Mulroney was called a criminal. There was the Somalia inquiry, which they are now gagging, while the judge in charge of the inquiry says himself that they will never get to the bottom of things if they are prevented from investigating further.

The minister tells us that this inquiry has already been granted two extensions and that they want to wrap things up. They were nice, they allowed more time. But let it not be forgotten that the reason a little more time was needed for this inquiry, or for those conducting it, was precisely because for months and months and months the army concealed documents that were being looked for everywhere. If extra time was needed at one point, it was not because the government was being nice, but because the documents were not available because the army had hidden them.

Bill C-70 contains the amendments allowing harmonization of the GST with three maritime provinces, and of course this is a cover-up to help the pill go down more easily. They are sending a billion dollars to the maritimes.

• (1230)

What is the government's motivation in doing so? We know very well. The Liberal government is, of course, embarrassed that the

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Prime Minister and the Minister of Canadian Heritage broke their promise to scrap the GST, the tax they claim to hate.

So, in order to have more than just excuses when questioned on this broken promise when the election comes, the Liberals want at all costs to reach an agreement with the maritimes, in order to give the impression that they have tried to do something about keeping that promise. Even if this bad promise will cost Quebecers and Canadians close to \$1 billion, what counts for the Liberals is to get the fat out of the fire, and to do so as promptly as possible.

This new harmonized sales tax, the HST, will be included in the price, or at least that is what the government was proposing before the Senate returned the bill with an amendment that states otherwise.

To return to the 1989 Liberal minority report, what did the Liberals have to say about this suggestion to include the GST in the price? On page 298 they state as follows: “If the GST is camouflaged in the price, it will be far easier for the government to raise it later on”. They put a serious damper on the idea of including the tax in the price. Until just recently, they wanted to do exactly the opposite of what they claimed in 1989 was not a good idea.

What is more, some years ago the Minister of Finance was saying the exact opposite of what he has done in his bill. The new GST is hypocritical, because it is camouflaged in the price of goods and services. On this subject, the 1994 Liberal majority report stated, and I quote: “It would simply be improper to “hide” from Canadians the amount of tax they pay to their governments, and hiding the tax interferes with the ability of taxpayers to make government accountable for the taxes it levies and, to a lesser degree, for how it spends the revenues”. That is what the latest Liberal report said, yet they are about to do just the opposite.

In 1994, the Chamber of Commerce of Canada surveyed its members, 70 per cent of whom were opposed to the idea of hiding the tax in the sales price. This survey is still valid today. In February 1996, the Chamber of Commerce conducted the same survey again, just to realize that 76 per cent of its members now held that opinion.

Through all the stages—second reading, committee study, third reading—the Bloc Québécois expressed a number of concerns about this bill. We suggested the government should meet with the people of the maritimes before imposing a harmonization they clearly did not want. In spite of the work done in committee, and repeated requests from the Bloc Québécois, all our arguments fell on deaf ears.

The Bloc also recommended that the HST not be included in the sales price. This is another point made by the Bloc that the government ignored until the Senate came up with this proposal to

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delay tax included pricing until 51 per cent of Canada's population agrees to include the GST in pricing.

The changes proposed by the Senate are identical to those previously proposed by the Bloc Québécois and rejected by the government. How will the government respond to the Senate? This is what the motion before us today is all about. It reads as follows:

That this House, while disapproving of any infraction of its privileges or rights by the other House, in this case waives its claim to insist upon such rights and privileges, but the waiver of said rights and privileges is not to be drawn into a precedent—

They disapprove, but agree just the same.

• (1235)

So, the government made sure to tell the senators: "We accept our amendment, even though we rejected the same amendment when it was proposed by the Bloc Québécois. We accept it, provided you will not see this as a precedent". But, as was pointed out by my colleagues, it is very disturbing to see the government accept a legislative amendment from a House whose members were not elected, after rejecting the same amendment when it was proposed by elected members of this House.

Unfortunately, the senators did not do as we did in this matter. We in the Bloc Québécois also demanded that the government pay—and yesterday again we asked questions on this issue to the Minister of Finance and to the Prime Minister—\$2 billion in compensation to Quebec for having harmonized its own tax with the GST, long before any other province. In so doing, Quebec showed that it was perfectly able to get along with the federal government, in fact more so than the other provinces. Yet, the maritimes received \$1 billion, while Quebec got nothing at all. We are owed \$2 billion, and the hon. member for Chambly clearly explained why Quebec is justified in making that claim.

In the end, what was the cost, to Quebecers, of this whole operation to cover up unfulfilled promises? Again, let us look only at the costs which can actually be estimated. First, the re-election of the Deputy Prime Minister cost \$500,000. As you know, Madam Speaker, 25 per cent of Canada's revenues come from Quebec, which means that 25 per cent of federal spending in Canada is paid by Quebecers. Therefore, the re-election of the Deputy Prime Minister, who was forced to resign as a result of an unfulfilled promise, cost Quebecers \$125,000.

Let me explain, for those who are listening to us. We understand what \$25 represents. Billions of dollars is a lot of money: one billion dollars is equal to 1,000 million dollars. So, 2,000 million dollars is owed to Quebec for having harmonized its tax with the GST, but it will not get one penny. So, \$125,000 to elect the Deputy Prime Minister, 2,000 million dollars that should come our way for the GST, plus the \$1 billion they are giving to the maritimes. Once again, I repeat that 25 per cent of everything Canada pays out

comes from Quebec; of the \$1 billion going to the maritimes, \$250 million comes from Quebec.

This is common knowledge. It has come up in oral question period. It is still getting a lot of coverage in the newspapers. What is Mr. McKenna doing in Quebec? He is wooing away our own businesses with money we provided that was transferred to New Brunswick.

So, the total cost of this operation, of this broken promise to scrap the GST, leaving us with a botched Bill C-70, is \$125,000 to elect the Deputy Prime Minister; 2,000 million dollars due Quebec that it will probably not receive; and \$250 million of Quebecers' money going to the maritimes. All so that the maritimes can conduct their corporate raiding in Quebec.

In the case of all bills tabled in the House, the Bloc Québécois has done the work it was elected to do, which was to defend Quebec's interests ahead of all else.

It is extremely tiring in the long run to defend oneself daily, to go after dribs and drabs of rights and powers, or to try to hang on to dribs and drabs of rights and powers, when the only way out, for Quebecers, is to have full rights and powers. For this to be possible, we must become a country.

Each of the bills introduced here in the House—

[English]

Mr. Williams: You lost the referendum.

[Translation]

Mr. Pomerleau: I will come back to that. That is what I was going to reply to my colleague.

• (1240)

In fact, we lost the last referendum and I have often heard my colleagues in the Reform Party wondering why we did not respect the decision of Quebecers.

The Bloc Québécois and the Parti Québécois are political parties advocating the sovereignty of Quebec. We are not the ones who decide, of course; that is up to the people of Quebec. To this end, we must hold referendums in Quebec. We cannot, however, hold referendums unless we have been elected to do so. In the end, therefore, it is the people of Quebec themselves who decide whether or not they want referendums by electing or by not electing the Parti Québécois, which alone, of course, can make this proposal.

We therefore have great reservations about this bill, another promise not kept.

[English]

Mr. John Williams (St. Albert, Ref.): Madam Speaker, the Bloc separatists keep saying that the people of Quebec want all

these things, that they want to separate, but they did lose the referendum. The people in Quebec said they do not want to separate. If this government had done its job, of course the margin would have been far greater than it actually was; however, we will leave that debate for another day.

They always seem to get back to the issue of money and how they have missed out on the billion dollars that has been given to Atlantic Canadians by the Minister of Finance. They feel that they are entitled to the same or more because they are in Quebec and have harmonized voluntarily with the GST. They feel that shucks, why do they not get money as well?

Let us look at it. The Prime Minister signed an agreement with the province of British Columbia a few weeks ago to pay it more money for immigration. I do not exactly have my numbers right but I understand a lot more new immigrants are going to British Columbia than are going to the province of Quebec. However, the province of Quebec is getting a lot more money to handle immigration than the province of British Columbia. I do not hear Quebec members saying that it seems they are getting too much money and maybe they should give some of that money back. We do not hear that.

The great equalization program has been part of our Canadian way of working with the provinces and has been around for about 40 years. The provinces that are more prosperous pay money to those which are less affluent. As Reformers we do not disagree with that philosophy.

The province of Quebec has always been one of the have not provinces and the money has been flowing to it. The have provinces are primarily Ontario, Alberta and British Columbia. Quebec and Ontario are right next to a fabulous market with 100 million people on the eastern seaboard of the United States. Across the Atlantic, there are 250 million people in Europe, a phenomenal market for the manufactured goods of the provinces of Quebec and Ontario. Markets are opening up around the world but Quebec is still a have not province. It is a perennial have not province.

The politicians in Quebec should say that they want to be part of this great country Canada and that they want to play their part in creating jobs for the people of Quebec and trade with the eastern seaboard of the United States through the free trade agreement. They should say that they want to trade with the rest of Canada and bring down the barriers that have been built between provinces, so that they can expand jobs, create jobs, create wealth, create opportunity and create hope for their children, rather than just saying that they want a subsidy too.

When will the Bloc and the separatists start to see that there are far greater opportunities within Canada through participating in economic development rather than keeping the old, old story that they have been hard done by and please send them more money.

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That story will not work. I think the people in Quebec and the rest of the country want jobs, an opportunity and an education. They want to prosper. That is what they want.

• (1245)

[*Translation*]

Mr. Pomerleau: Madam Speaker, first I would like to say to my colleague that we are not the only province, we are not alone in asking for compensation, since three provinces agree with us on this, and the BC premier acknowledges that Quebec should be compensated.

I was listening to a colleague before me say, in response or in a question to another member who spoke before me, that the Reform Party's position is that the maritimes should never have been compensated.

Had the maritimes not had any compensation, Quebec would not be asking for any. What we want is fairness. If a thousand million dollars are sent to the maritimes, we in Quebec are entitled to ask for the \$2 billion due us, which the Liberal Party is denying us.

As far as the sovereignist movement is concerned, I would remind my colleague that Quebec's demands have been known, clear and simple for 40 years. All Quebec politicians, whatever their party, have said the same thing. In the mid-1950s, Mr. Duplessis demanded his share of the spoils. Mr. Duplessis was a member of the Union Nationale party.

He was followed by Mr. Lesage, a Liberal and a federalist, who talked of Quebecers being masters in their own home. Next came someone else from the Union Nationale, Daniel Johnson Sr., who called for "equality or independence". Then came René Lévesque, who said: "We cannot go on fighting endlessly like this for 30 years; what we want is Quebec's sovereignty".

Through all these movements and all these premiers, Quebec continued to make the same clear and simple demand. These people were federalists. Quebec has always asked to be recognized for what it is—a nation—with certain privileges in the Constitution enabling it to defend itself as a nation. Nothing more, nothing less.

The refusal by the Canadian government and the Canadian establishment to accept this fact will mean that Quebec will become a country, in the long term. A look at the sovereignty movement in Quebec leaves no doubt that it is a growing movement. The Parti Québécois was born in 1968. There were hardly any sovereignists in the early 1960s in Quebec. In 1968, the PQ was born. That was less than 30 years ago.

In 1976, the Parti Québécois was elected for the first time and formed the government in the National Assembly. Three referendums were held. In the first, in 1980, the no vote was 60 per cent and the yes vote, 40 per cent. In the Charlottetown referendum, it was the reverse: 60 per cent voted against the Charlottetown accord. Canadians voted against the accord too, for reasons differ-

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ent from ours: they thought we had too much already. In the last referendum, it was 50-50. So it is clear that the sovereignist movement has grown in the past 28 or 29 years.

The government could stop this movement tomorrow, if it wanted. It would be very easy to do, by recognizing in the Constitution that the people of Quebec form a nation and, therefore, have the right to protect themselves and this concept of a nation.

That is all Quebecers are asking for. Not me. Personally, I am an unconditional sovereignist, in that I fail to see any point in a nation living as a minority within another nation, because as a minority, you then have to do as you are told; you do what they want, when they want.

I want to be independent. I want to make my own choices, speak on my own behalf and take my own responsibilities. That is how it should be.

But that, we will never get from Canada. I will never be a true federalist, but if this kind of recognition was included in the Constitution, most Quebecers would go for it. They would sign the Constitution they have never signed, and I would democratically fall in with the people's will and stop fighting for sovereignty. But that will never happen because this Prime Minister and his predecessors have never stopped attacking Quebec.

• (1250)

Remember the long knives stuck in the back of René Lévesque by Trudeau and the little guy from Shawinigan, who will soon be calling an election and whom we will beat in his own riding.

[*English*]

Mr. Ted White (North Vancouver, Ref.): Madam Speaker, the member from the Bloc moved this debate into a very interesting area but not entirely on topic since we are discussing Bill C-70, the HST tax proposed by the Liberal government.

I would like to say a kind word about the member. I noticed he is wearing a daffodil on his jacket. I want to mention, and I will be mentioning again later today, that the daffodils come compliments of CKNW-98, a radio station in Vancouver. This is a tradition it does every year at this time for the first day of spring. I thank the member for wearing that daffodil. I notice a few other members have them as well. They are set out nicely in vases in our lobbies as well.

I would like to refer back to a government member who gave a speech approximately an hour ago. I had wanted to question him but unfortunately we ran out of time. During his speech he said what a wonderful job the Liberal government had done. He mentioned that exports were at record highs. He forgot to mention of course that is due to NAFTA which was one of those things the

Liberals said they would oppose. They were going to renegotiate NAFTA, scrap it if necessary and here they are now trying to claim credit for something they did not want anything to do with.

In addition, we have low interest rates that they constantly claim credit for and what a wonderful thing it is. And yet it was the low inflation policies of the Bank of Canada that gave us low interest rates, not the Liberals. They are very happy to take credit for all these things that they did not do and that they have even opposed. When they were in opposition they opposed the interest rate policy of the Bank of Canada and now here they are wanting to take credit for it.

Through all of that they will not take any credit for the unemployment figures or that for their entire time in office the unemployment levels have remained at unacceptably high levels, 10 per cent to 11 per cent through their entire mandate, making 77 straight months now of unemployment levels, as high as the last depression.

When we question them in question period the finance minister gets up, takes his glasses off and says "we have the lowest interest rates in the whole world and it is wonderful and people are saving so much money on their mortgage". Of course that is Liberal thinking. In order to get a benefit you have to borrow money.

What happens to people who do not have a mortgage and are struggling to actually get into a house? What happens to the people who do not have a car and are struggling to get a car or other things? According to the Liberals the only way to save money is to actually borrow money and that is typical Liberal tax and spend type thinking which put us in the problems we are in today where we need a GST and now some sort of HST in order to help pay for all these bad decisions of the past, mostly by Liberal governments where they have borrowed, taxed and spent trying to make Canada prosperous. All they achieved in the end was a lot of misery and terrible problems we are facing now and trying to deal with in the budgets that come before the House.

The HST we are debating today would not even be necessary if this government had followed Reform's zero in three plan that was proposed in 1993. We would be spending surpluses instead of still discussing these massive deficits.

Two months ago I was dialling into the Internet via Sympatico, the service I use in B.C. It has an introduction page when you first dial in and it said: "Question of the day: Now that the government has its deficit down to an excellent \$19 billion should it begin spending again?"

• (1255)

I almost blew a gasket. Excellent \$19 billion deficit? A \$19 billion deficit is not excellent. A \$19 billion surplus would be

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excellent but a \$19 billion deficit, excellent it is not. You can be sure I very quickly put my comments on that chat line.

If we had been following Reform's zero in three plan, we would be like New Zealand is today. It is running massive surpluses and it is able to give people terrific tax cuts instead of trying to introduce an HST, hiding the government's tax grab in a newly constructed tax that was only obtained by bribing Atlantic premiers with \$1 billion taken from other taxpayers throughout the country to subsidize the people in Atlantic Canada with this new HST which will end up being the worst tax of their lives. If we think the GST was bad, wait until they experience the HST.

I mentioned that New Zealand is running surpluses. Many members know I am originally from New Zealand. I have watched with interest some of the developments there because New Zealanders have been through many of the fiscal problems that Canada still has to face. For the past three years New Zealand has run very healthy surpluses. Remember its economy is only about the size of British Columbia's economy, but this past year it ran an \$8 billion surplus. As a result of that, the New Zealand government was able to give the average wage earner in New Zealand a tax decrease of \$200 a month.

Imagine if Canadians were offered today a \$200 a month tax break instead of a new HST which would strip them of tax money. Think of the boost that would be to the economy. Think of the jobs it would create if people in Atlantic Canada had an additional \$200 a month in their pockets to spend instead of another tax grab of HST.

This government should be ashamed of itself. We know that what we are going through today is a big hurry up on this bill to try to force it through by April 1 because it is the deadline. The government is trying to ram this bill through against the wishes of many retail groups that have already said that the HST will result in lost jobs because of closed businesses right across the province.

The Retail Council Canada, independent retailers and many large national companies have complained that the tax inclusive provision of the legislation would create confusion and add additional costs. For example, Woolworth Canada estimated that it would consider closing one-quarter of its 126 stores with a resulting loss of 300 jobs.

We have consistently heard from the finance minister who admits that high taxes kill jobs. So it is reasonable to ask, if that admission is there, why are we not working to get rid of the GST, as was promised by this government. There is a whole list of ministers and members on that side of the House who made the promises during the election campaign that the GST would be gone, history, toast. The most hated tax would be gone. They used the emotion of the GST to win power in this place and then let people down by breaking the promises.

There is a court challenge going on in British Columbia against the NDP government for breaking its promises. The court challenge is going ahead and will be heard very soon. If the government there is found guilty of deceiving the voters by breaking its promises, by telling lies in effect, it will be thrown out of office and the election declared void.

What a healthy thing it would be if we could have similar provisions at the federal level. This would force these people to tell the truth in their election campaigns. Then they would not say they will scrap, abolish, make the GST history, toast, gone forever in order to get elected. They would not fiddle around and change the rules and say "all we really meant was to harmonize, to change it, not to give any tax relief to Canadians at all, not one cent of tax relief, but simply to increase taxes and invent this HST", the horrible sales tax. That is exactly what it is. It is a horrible sales tax. It is worse than the GST that preceded it. Certainly constituents in my area of the country are very unhappy their tax dollars are being used to subsidize this change in the taxation process.

• (1300)

In terms of harmonizing and tax inclusive pricing, the average person by having a tax inclusive price loses the ability to see what portion of that price is government taxation. That is a very serious problem. Although it may be printed on the cash register tape, it requires a person to examine the printout to see what the taxes are. Maybe it will be printed there. That is fine. However when people look at the price of an item on the shelf, go to the cash register, hand the money over, accept the receipt, put it in their pockets and throw it away with the garbage later, they are not concentrating on what portion of the price is actually sales tax.

It is very important for them to see when they are actually hit with the sales tax at the cash register which takes the price up from maybe \$320 to \$395 what the government is taking out of their pockets.

For taxation to be fair it should be visible. People should know what they are paying to the government in terms of taxation. It is a bad precedent to have harmonized sales tax that hides the GST in tax inclusive pricing.

Many retailers and small businesses are very upset that anything like this could be proposed. There has been a lot of opposition to the bill. Many groups are opposed to it.

The Reform Party did a minority report as a result of the finance committee hearings on GST harmonization. They were the usual type of sham as most committee hearings are, dare I say all committee hearings are. Just like debates and votes in this place, we know before committee hearings start exactly what the outcome will be. That is a very unfortunate fact of life.

Government Orders

Recently I was visiting New Zealand where there have been some quite dramatic parliamentary reforms which make it more democratic to work in its house. All committees of the New Zealand parliament must report back within six months on every piece of business that goes before them. They are not allowed to do what happened with the private members' bill that went through this place to get rid of section 745. That cannot happen under the revised rules in New Zealand. It would have to be reported back to the House and action would have to be taken.

In addition, every private members bill is votable. The assumption is made that if people are intelligent enough or responsible enough to be members of the House they should be trusted to be able to bring forward pieces of legislation that would be voted on. If they have made an error in judgment and introduced a stupid piece of legislation, it will be cut down in the vote.

Combined with that, there is now proxy voting for members in New Zealand. Members who are legitimately in their ridings on riding business or away on committees or other legitimate business associated with their activities as members of Parliament may vote by proxy. They call in their votes to the party whip who during the vote in the House stands and says that there are x number of proxy votes for or against an issue. That is a very civilized way to conduct business.

Many of us in these modern days of easy travel and communications have to be away from this place doing other official duties that prevent us from being present on every vote. We are always following the debate because we have access to television and news wherever we are. It would certainly be very civilized to be able to call in a proxy vote on issues of importance to us and to our constituents.

• (1305)

In addition the committees of the house in New Zealand, ones like the one that considered the HST, are structured to be much more democratic. Approximately 10 per cent of all chairs are selected from opposition parties based on a free vote. The vice-chairs of all the committees are selected from the opposition parties in proportion to the number of seats they have. That division of vice-chairs is arranged between the opposition parties according to the particular committees they would like to be vice-chairs of.

There have been a lot of changes to the rules in that house that have made it much more democratic. Cross party voting is actually encouraged and not frowned upon at all. On a regular basis members vote with the other side.

What a tremendous, refreshing thing it would be if we could see those sorts of reforms in this place. Then we would not be facing

the situation we are today with time allocation. A bill is being rammed through this place. Our debating time is being cut off. That would not be happening if this place was more democratic.

If the government side was responsive to the input, if it truly cared about the feedback it was getting and if it allowed its members the freedom to truly vote according to the representations in front of them, we would not be faced with the time allocation problem we are faced with today.

Some of the points that were made by our minority committee relating to the debate on legislation to harmonize and streamline the GST concerned integrity. The member for York—South Weston who was responsible for the private member's bill on section 745 of the Criminal Code was banished from the Liberal Party caucus by the Prime Minister for voting on a matter of principle, on a matter of integrity, on a matter of promising to get rid of the GST.

What a terrible shame to see such an infringement upon democracy. Members are not free to represent their constituents, to truly represent them or to vote on principle without suffering total banishment from his caucus. Their riding associations are stripped of money and virtually put out of party business. It is an awful thing to happen. It leads to the situation of today where members are afraid to vote against the government, if they are on the government side. They are afraid they will lose the nomination, lose all their funding, lose their riding association and somebody will be parachuted in to take their place.

What an appalling comment on how our system is run. It has degenerated from the original idea of what Parliament should be. It should be a place where people come to debate and discuss the issues, come to a conclusion and tell cabinet what it will do. It has degenerated to a house of the parties, a place for fulfilling the party agenda. The government side of the House thinks that it owns the chairs we sit upon, that it owns the desks we sit at and that it can dictate to us how we vote.

My constituents can be sure that the chair I sit upon and the desk I sit at belongs to them. They pay my salary in the House. They are entitled to have me represent them. Whenever they can show me they have a majority position that is against my party, against my personal beliefs or agrees with the government, they can be sure I will vote to represent them. I have proven that on three separate occasions when I voted against my party line. Once I voted against my own beliefs to represent my constituents.

I did not get thrown out of my caucus. I did not get my riding association banished from the face of the earth. Democracy prevailed. In the event it is clear a majority of my constituents want me to vote in a certain manner I am obliged to do so by the constitution of the Reform Party. It actually requires me to do that.

That is a major break for democracy which I hope will gradually spread to other areas of the House.

• (1310)

I realize that my time has run out at this stage so I will deign to sit down. This was my first opportunity to speak to Bill C-70. I look forward to hearing more speeches later in the debate.

[Translation]

Mr. Kilger: Madam Speaker, on a point of order. There have been discussions among the parties, which have agreed to let the Minister responsible for Francophonie make a ministerial statement on this day celebrating la Francophonie known as the Journée internationale de la Francophonie, followed by the hon. member for Verchères, speaking on behalf of the Bloc Québécois, and the hon. member for Swift Current—Maple Creek—Assiniboia, on behalf of the Reform Party.

So, if you were to seek it, I believe you would find unanimous consent.

The Acting Speaker (Mrs. Ringuette-Maltais): Is that agreed?

Some hon. members: Agreed.

[English]

Mr. White (North Vancouver): Madam Speaker, I rise on a point of order. Normally my speech would be followed by a short question and comments period. Will that be taken after the question period today?

The Acting Speaker (Mrs. Ringuette-Maltais): The hon. member will have 10 minutes of questions and comments.

ROUTINE PROCEEDINGS

[Translation]

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Hon. Don Boudria (Minister for International Cooperation and Minister responsible for Francophonie, Lib.): It is an honour for me as Minister responsible for Francophonie and as a French Canadian from eastern Ontario to address the House in order to call attention today to the Journée internationale de la Francophonie.

This event is celebrated today in the prolific web of 49 countries and governments that share the use of French.

We know that La Francophonie is very much alive in Canada, but it is as well in Eastern and Western Europe, Africa the Middle East, Asia, the Indian Ocean region and the West Indies.

Routine Proceedings

The Government of Canada has participated in La Francophonie since the outset, thereby saluting the importance of the French fact in Canada. For this reason, it makes the international francophone community an integral and essential part of its foreign policy. We wish to demonstrate in this way our desire to highlight the contribution of the various Canadian francophone cultures in our great country. Whether in Moncton, St. Boniface, Hawkesbury, in my riding, or Ste. Marie de Beauce, in Quebec, French is alive and well in Canada.

Canada is also a member of La Francophonie because it believes in the virtues of multilateral relations based on cooperation and exchanges. It is no accident that Canada belongs to a great many multilateral organizations; from the G7 to the Asia-Pacific Forum, from NATO to the Organization of American States, from La Francophonie to the Commonwealth, Canada's geography and linguistic make-up virtually invite such participation.

There are other reasons as well for Canada's very active role in La Francophonie; the participating government status enjoyed by the provinces of Quebec and New Brunswick enables them to share fully in the activities of the francophone world and provides them with a way exhibiting their vitality and expertise.

In addition, next May 19 to 21, an important conference on information highways will bring together in Montreal all the ministers of La Francophonie responsible for the information high way. This conference, jointly organized by the Agence de la Francophonie, the Government of Quebec and the Government of Canada, bears witness to the desire to enable the developing countries to participate in the modern world by putting the means of communication at their service.

The Prime Minister of Canada, the Right Hon. Jean Chrétien, will go to Vietnam next November to participate in the Hanoi Summit and to help make La Francophonie an increasingly integrated community. It should not be forgotten that Canada hosted the 1987 Summit in Quebec City.

• (1315)

Need I add, especially in your presence, Madam Speaker, that in Hanoi, we will once again put forward our candidacy to host the Eighth Summit in 1999, this time on Acadian soil in Moncton, New Brunswick, a part of the country you know well.

I would like to conclude by wishing the 8.5 million francophones and all the francophiles from one end of Canada to the other a happy Journée internationale de la Francophonie.

I must also ask to be excused—I apologize to my hon. colleagues across the way—because, as they know, as we speak, there is a reception under way for key figures of the Canadian and international francophone community, which I am hosting.

Routine Proceedings

My hon. colleagues are invited of course, when their duties in the House of Commons permit, to join me there so that we can celebrate all together this great day, not only for the Canadian Francophonie, but for all of Canada and all Canadians.

Mr. Stéphane Bergeron (Verchères, BQ): Madam Speaker, I would like to assure the minister that I gladly excuse him, on behalf of the political formation I represent here in the House of Commons. I understand his obligations, and I certainly have no objections, since I know he will read our speeches carefully when he gets back to his office a bit later on.

First of all, I would like to thank all of my House colleagues for allowing us to have this exchange on the Journée internationale de la Francophonie. It would, I think, have been terribly unfortunate if we were to let the day go by without marking the Journée internationale de la Francophonie.

I am also extremely pleased to speak in this House today on the occasion of the Journée internationale de la Francophonie. To begin with, however, I would like to qualify what the minister has just said. Quebec was the one to initially show interest in the Francophonie, in the early 1960s, via its special relationship with France and its subsequent membership in 1971 in ACCT, the Agence de coopération culturelle et technique. Moreover, it managed to become a full-fledged member of ACCT as a participating government only after a great struggle with Ottawa.

The federal government then thought up ways to trivialize Quebec's presence within the institutions of the Francophonie, going so far as to fund New Brunswick's participation in order to show the international community that Canada's membership in the Francophonie was not solely related to the French character of Quebec.

Be that as it may, the Francophonie has undergone numerous major changes in recent years. The last was in 1996, when the ACCT finally became the Agence de la Francophonie. From that moment on, the Francophonie became a political body, with a Secretary General to be appointed at the Hanoi Summit later this year. In this connection, the name of former UN Secretary-General Boutros Boutros-Ghali is being circulated at the moment as the potential first secretary of the Agence de la Francophonie.

This political tack which the Francophonie has taken shows how it has matured politically into an internationally recognized forum whose membership discusses vital issues. This new vocation also requires of us a greater solidarity, cemented together by language and culture.

At the very moment we are celebrating the great francophone family, I find it hard to understand the government's guilty silence concerning the catastrophic situation that currently prevails in

Zaire, where civilian populations are the primary victims of the raging conflict. How can we celebrate this day joyfully, when the values which we hold dear and defend, the respect of human rights, democracy and of the rule of law, are being trampled upon daily in a number of the member countries of the Francophonie?

• (1320)

Next fall, the Sommet de la Francophonie will be held in Vietnam. Canada has always given precedence to multilateral approaches for advancing causes it holds dear. Will it take advantage of this important occasion to raise certain points, including human rights, child labour and excessive defence spending in developing countries?

Canada could also easily raise the case of Trần Triều Quân, the Canadian citizen who has been unjustly imprisoned in that country for far too long already. Like the Commonwealth, the Francophonie is an important tool with which we can make the world a fairer and a safer place.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, it is an honour for me, as Canadian, to address this House on the Journée internationale de la Francophonie.

I would like to say a word on the importance of multilateral relations. The benefits of such relations are the reasons why Canada belongs to a number of international organizations. The G7, NATO and the Commonwealth are all important structures for the promotion of our foreign policy. The Francophonie includes 45 countries and a few other entities, including Quebec, for example, which have in common the use of the French language.

[English]

Membership in international organizations should be based on enlightened self-interest. It is to our benefit to help maintain international stability, but I have some fear that our financial contributions through CIDA to certain members of la Francophonie represent a disproportionate share of our foreign aid budget. Historically we have helped to prop up some very nasty and corrupt regimes for no apparent reason other than that the recipients speak French. We should perhaps be more careful with our national chequebook.

[Translation]

Since 1970, Canada has been a leader in the development of the Francophonie. It is also a founding member of the Agence de coopération culturelle et technique. Thursday, March 20, is the Journée internationale de la Francophonie. Happy Journée internationale de la Francophonie to all francophones and francophiles who have made Canada a better place.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

The House resumed consideration of the motion and of the amendment.

The Acting Speaker (Mrs. Ringuette-Maltais): We will now resume from where we left off with questions and comments with regard to the speech made by the member for North Vancouver.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the member was talking about his birthplace of New Zealand and all the wonderful things that have been done there.

My recollection of the New Zealand situation after it virtually went bankrupt was that it brought in a harmonized consumption tax. I believe it was 12 per cent and was applied to all goods and services, including food and prescription drugs, absolutely everything. I am also aware that some changes were made to the income tax structure as well which amounted to massive tax reductions to high income earners in New Zealand and shifted the burden of tax down to the low and middle income earners.

I have read analyses of the impact in New Zealand. That scorch and burn approach used in New Zealand seems to be the kind of approach the Reform Party has been proposing in its budgets and in its false start program. It is the same kind of thing where the road kill of its citizens is increased poverty, poorer health care or quality of health care, poorer social services, higher suicide rates and higher family breakdown, all as a result of what the member describes as progressive government. Would the member like to reassess his position on the wonderful actions in New Zealand and maybe recant here and now?

• (1325)

Mr. White (North Vancouver, Ref.): Madam Speaker, I can tell by the comments from the hon. member that he has not visited New Zealand because if he had, he would know how foolish his comments are. Unfortunately, he has been listening too much to Maude Barlow who also has not made any logical analysis of what has happened in New Zealand. I can understand why she is opposed to it; her special interests are greatly threatened by the things that have taken place in New Zealand.

In any debate on this issue I always say to people that if they can afford to go, please visit New Zealand. When they come back I know they will say to me that I was telling the truth and that those on the other side who have discredited it really were not.

Government Orders

The member mentions such things as a higher teenage suicide rate. It is wonderful how figures can lie and liars can figure all of that stuff. I am not applying that to the member; I am applying it to the people who have used these figures.

In one year in New Zealand a mass suicide took place in a Maori community. They were sniffing some sort of petroleum product. That bumped the suicide rate so high for one year because New Zealand has a relatively low suicide rate among youngsters. It was used as a basis for claiming that the suicide rate had gone up in New Zealand. It is a massive distortion.

In addition, there are the crime rate statistics that are used by people like Maude Barlow. If the New Zealand police are asked about it they say the reason for it is that they changed the computer system and the way crimes were reported. Everything that comes over on the phone lines is now reported rather than under the old manual system when only actual convictions were reported. It looks as if there has been a crime rate increase, but there are many other things there.

The hon. member mentioned the GST in New Zealand. It is true that when New Zealand went bankrupt a GST was introduced. That had to be done because it was an emergency situation. The International Monetary Fund was controlling things.

I have had the benefit of sitting down for an hour and a half with former prime minister David Lange who was the labour prime minister at the time New Zealand went bankrupt. He was gracious enough to give me some of his time about two years ago. I never thought that I would have deep respect for somebody who was a labour prime minister.

It was a very interesting and quite impressive discussion. He described how his philosophy took a 180 degree turn. He had to make a 180 degree turn with respect to what he had believed all of his life in terms of socialism. He came to the position that without a robust, healthy investor and private sector you cannot have social programs. What you end up doing is destroying your country. What a massive turnaround that was for him.

He told me that once they began the cuts in New Zealand the people were so solidly behind them because just like here, they had seen the government waste for so long. They could not believe the government was actually doing something. It gave such tremendous impetus that the government went faster and faster. It got the job done so very quickly that very rapidly the recovery began.

I was down in New Zealand about a month ago. Unfortunately it was not on pleasant circumstances because my mother-in-law had had a heart attack. I can assure this House that had any members been down there with me they would have been really impressed with the feeling of vibrancy, the really good feelings that are there.

Government Orders

People feel good about what has happened to their country. It has become competitive internationally. Certainly there was a GST introduced and it is still there today.

• (1330)

What has happened is that there is a consumption tax. That GST is a consumption tax, which is very easy to do in a country that is isolated from other countries.

In terms of income tax, there have been massive reductions in income tax in New Zealand. It should be across the board because New Zealand has recognized something that these members opposite do not recognize. It is the successful people who create the jobs and create the wealth for the country. If they are taxed to the point that they leave, their country is destroyed, their jobs are destroyed along with everything they stand for.

I welcome the question. I am very pleased to have replied. Perhaps I was a little harsh on him at the beginning by saying he was foolish. That was unfair. I voluntarily retract that even though he has not asked me to.

I would invite him any time to take a trip to New Zealand, hopefully not with a committee because that really is not fair. Sometime he should pay for his own trip to New Zealand. There are some wonderful deals to go there. Take a look for himself.

As soon as he gets back, he can pick up the phone, call Maude Barlow and tell her she is completely out of line.

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I listened enthusiastically to the member's statement. I was in the lobby for part of it. Then I came into the House and listened to the rest here. It is interesting to hear the New Zealand experience. It is important to express that time and time again.

It is really interesting to see how this whole business of harmonization came about. I want to put this to the member for North Vancouver to address. It is a series of defaults on the part of the Liberal government that led up to this point of harmonization.

The Liberal government was put into a corner, if you will. It started out in part by the heritage minister when she was forced to resign and seek re-election at a cost of over \$500,000 to the taxpayer. It is all over this GST issue.

The second point is the finance minister publicly begged forgiveness in his statement "we made a mistake for misleading Canadians on the Liberal GST policy".

Then there was another row when the member for York South—Weston resigned. I should say he was banished from the Liberal caucus. Then the member for Broadview—Greenwood temporarily went into self-exile. All this happened over the GST issue.

I would like to put this forward to the member and seek his comments.

Mr. White (North Vancouver): Madam Speaker, before I make comments about the defaults on the part of the Liberal government, while my colleague was speaking a member opposite was yelling out that the Deputy Prime Minister was not forced to resign, that she did it herself.

As soon as my colleague said that it cost \$500,000, the very same member yelled out: "That was your fault. You forced her to resign". They cannot have it both ways.

The Acting Speaker (Mrs. Ringuette-Maltais): I wish to inform the House that, because of the ministerial statement, Government Orders will be extended by 11 minutes.

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, indeed it is a privilege to debate this topic on GST, specifically the harmonization aspect.

It was a very key issue in the last election, the hated GST and what was going to happen to it. Of course there were promises made by the Liberal government to scrap the GST. We heard the government's mandate as to how it would deal with it. It has built up to this point and again, looking toward the next election, it is still an issue. In fact, it is more of an issue now for some. It will directly impact the lives of people in Atlantic Canada.

• (1335)

All kinds of comments have been made and studies done on this particular tax. Is it a good deal or is it a bad deal? I will take the bad deal side because it is a bad deal. I have not heard much good about it. When we consider what business has said and many of the comments made by government leaders, it is a bad deal. The resignation of Premier Savage of Nova Scotia no doubt was partially due to the harmonization fiasco. Many call it the BST or the blended sales tax. That is how it is colloquially known in many areas. It is a bad deal.

The Atlantic premiers were bribed into signing the deal with a \$1 billion shot in the arm from Canadian taxpayers. The harmonized version will amount to 15 per cent as opposed to the 18 per cent which the provincial sales tax and the GST amounted to.

The tax will have a broader base. People who pay utility bills or who make any other purchases will now see the tax hit their pockets. It will cost them more. That is how it will impact on the average person. The tax will take away from their income.

We are living in an age of high taxation. In Canada there is one tax after another. The so-called harmonized tax was promoted as a tax which would alleviate problems. However, the base is so broad that it is costing taxpayers even more.

Government Orders

How can one justify adding another tax to the already depressed area of Atlantic Canada? The tax will not bolster its economy, it will do the opposite.

What does business say about the tax? Three major retailers in Atlantic Canada have stated that their net annual retail deficit will total \$27 million once harmonization is implemented. Is that not a warning sign?

One private retailer in the Atlantic region was contemplating opening two stores in 1997 but has decided against it as a result of increased costs associated with harmonization. Instead of expanding and looking at the tax as alleviating some of the problems, that retailer is backing off.

If someone is going to invest a dollar into business, they want a return on that dollar. They want to know that the investment will yield a return. That does not seem to be happening. The message that the retailers are getting from harmonization is the opposite. They are being very cautious about expanding their operations. They are being very cautious about investing in business.

There are warning signs, but the government plods along and will impose this tax on a region which wants nothing to do with it.

Both privately owned and publicly owned, traded stores are reluctant to explain the problems they face as a result of harmonization so as not to jeopardize consumer confidence and the value of their stock.

• (1340)

What does that say? It says that this discussion is not as open and as public as they would like it to be but they fear that people will withhold, that they will not patronize them, that they will not buy their product or that they will look at the operation as struggling or as having some significant problem in their affairs. That will directly impact on their profit line. It is the profit line that we talk about because businesses are only in business to make a profit; let's face it, the bottom line.

The Retail Council of Canada submitted its findings which included this statement: "By forcing stores to bury the new tax in prices, the harmonized tax regime will cost retailers at least \$100 million a year".

An hon. member: It is gone.

Mr. Hanger: Okay, if it is gone, it is gone. These items are very important. They show there is a concern expressed by many. Of course the retail council submitted those submissions and I agree.

An hon. member: It is happy.

Mr. Hanger: It is not totally happy, but I agree that as a result of its pressure some things have been done. That still does not take away from the fact that the tax is hitting a broad base of goods in

that region. It will impact directly on the pocketbooks of the consumer.

The Halifax Chamber of Commerce had meetings with the committee. It made predictions. One of its predictions was that the tax would push up new house prices by 5.5 per cent as well as force municipalities to raise property taxes. If the chamber is saying that in Halifax obviously that view will be shared by other regions of Atlantic Canada. It will impact directly on housing costs and lead to increased taxes which will be imposed on the consumer.

As this effort continues to impact on the consumer, where is that going to put him? Is it going to create more jobs if housing goes down? Is it going to encourage those who have finances to go and spend? No, it is not. He will have less money to spend in the first place because his taxes are going up and house prices will definitely impact in that same region.

The Canadian Real Estate Association says that harmonization will increase the cost of a new house by \$4,000 in Nova Scotia and in Newfoundland to the tune of \$3,374, and in New Brunswick. As any family would desire in terms of its own comfort to have a house, the opportunities will be slim because \$4,000 is a lot. It will impact on the down payment. Regardless of how low interest rates are the cost of this is impacting right at the consumer level. It is just as I mentioned earlier. When you pay your utilities you will see that extra hit right there, a broad based tax that did not exist before.

The GST harmonization is responsible for the closure of five Greenberg stores and the loss of 79 jobs in approximately five different locations. There are closures. This will not be the only hit in that region but it is one. Woolworth Canada also estimates that because of the tax inclusive pricing it might consider closing 126 stores in the Atlantic region, which means a loss of approximately 300 jobs.

• (1345)

Another smaller but just as significant retail business, Carleton Cards, predicts that it will close 19 of its 37 stores in the region, throwing approximately 116 people out of work.

It is government's business not to create jobs in the sense that they have to be government jobs. It should certainly create jobs by creating an atmosphere so business in turn can create jobs. The small businessman is the job creator and the engine in society that should be creating the jobs. I do not think this is the mandate of the government. The harmonization aspect of this tax is yielding other concerns. It will certainly impact directly on the whole job market.

Management of Carleton Cards also indicates that there is a 50:50 chance of further store closures and a loss of 71 jobs in eight different cities across Atlantic Canada.

I have a question for the Liberal government. Why have these concerns not been addressed directly? Why have the fears of the

S. O. 31

business community not been put at ease by the government saying this is not happening and the information is to the opposite effect?

The bottom line is that consumers will pay more for funeral services. They will pay more for children's clothing. They will pay more for books, auto repairs, electricity, gasoline, home heating fuel, haircuts and myriad other things.

In closing, this tax will certainly impact directly on the consumer. We are now looking at unemployment rates that are unacceptable. They will be a lot higher.

Mr. Julian Reed (Halton—Peel, Lib.): Madam Speaker, I want to point out one small matter and ask my friend a question as well.

The debate over burying the tax in the shelf price or not is by no means unanimous. In the riding I serve a large number of retailers have begged us to proceed with harmonization. They actually want the tax buried in the sticker price and shown on the cash register receipt. The member should be aware that this is not unanimous.

If a harmonized sales tax is such a bad deal, why are chambers of commerce coming to me asking why it is not in Ontario, when it is coming and who is holding it up? I have to explain to them the offer is open to Ontario to harmonize at any time. The provincial governments held harmonization in great favour before the were elected have since reversed themselves and are not proceeding with the harmonization the business community really wants.

If the business community wants it, why is it such a bad deal?

Mr. Hanger: Madam Speaker, there may be some that seek it in the business community. I have heard that reflected from my colleagues during the debate. The bottom line is whether consumers want the harmonized tax and how it will impact on them. That is the important issue. The big retailers certainly do not want it.

• (1350)

The member keeps speaking about Ontario businessmen running to him wanting to know when it is coming into Ontario. Alberta, Ontario and British Columbia are not even willing to discuss this federal proposal. They know they will have to pay the shot for the provinces that cannot make up the difference like Saskatchewan, Manitoba and Prince Edward Island. They know they will bear the brunt of the difference when it comes to supporting weaker provinces.

The Acting Speaker (Mrs. Ringuette-Maltais): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Ringuette-Maltais): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Ringuette-Maltais): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Ringuette-Maltais): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Ringuette-Maltais): Call in the members.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): The recorded division stands deferred until 5 p.m. this afternoon.

[*English*]

SUSPENSION OF SITTING

Mr. Kilger: Madam Speaker, would seek unanimous consent of the House to suspend until the call of the Chair at 2 p.m.?

The Acting Speaker (Mrs. Ringuette-Maltais): Is it agreed?

Some hon. members: Agreed.

(The sitting of the House was suspended at 1.56 p.m.)

SITTING RESUMED

(The House resumed at 2 p.m.)

STATEMENTS BY MEMBERS

[*English*]

HEALTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, preventive medicine is very popular in Canada these days. With many acute care facilities closing it makes only good sense to do what we can to stop disease before it starts. Health foods, vitamins, nutritional supplements and alternative medical practices are tools to prevent disease. These are employed by many thoughtful citizens.

The health protection branch and international Codex proposals threaten those choices in Canada. For example, melatonin has now been banned. Is there any proven harm? No. Is there any proven side effect? No. Is there any proven impurity? No.

Reform's position on this issue is clear. An informed consumer is a far better judge of their health care needs than some distant bureaucrat in Ottawa. Our message is also clear to the health protection branch and to Codex. Get out of our faces.

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[Translation]

STEPHAN ZBIKOWSKI

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, in December 1994, Stephan Zbikowski, a Canadian citizen, was arrested for drug trafficking and is still in jail, in Tocoyo, Venezuela. This maximum security penitentiary houses the country's most dangerous criminals, which raises concerns about the personal safety of Mr. Zbikowski, who has no criminal record in Canada. Moreover, no guilty verdict has yet been rendered in Venezuela.

Close to 2,500 people signed a petition asking the Prime Minister and the Minister of Foreign Affairs to make representations to Venezuelan authorities, so as to bring this most preoccupying situation to a positive conclusion. At the request of Mr. Zbikowski's mother, I sent the petition to the Prime Minister's office.

We do hope that, given the concrete support shown by all these signatures, the Prime Minister will give this issue all the attention it deserves.

* * *

[English]

MIDDLE CLASS

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, the endangered species legislation is currently being studied by Parliament but there is one endangered species that is being ignored, the Canadian middle class.

First, more and more Canadian families are slipping into poverty and more families cannot escape poverty.

Second, wages have stagnated or declined in Canada over the last two decades at the same time as taxes have been consistently raised. Wealth and income in Canada has become increasingly concentrated in the hands of fewer and fewer people and the gap between rich and poor is at 19th century levels. In other words, the middle class has all but disappeared.

I urge the government to include the Canadian middle class as an endangered species in the legislation currently before Parliament. Maybe if we can do that we can save the middle class from going the way of the dodo bird.

* * *

PEEL REGIONAL POLICE

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, on March 7, I had the pleasure of participating in the official opening of the Peel Regional Police community station in the Westwood mall in Malton.

The opening ceremony was organized by the regional municipality of Peel, the Police Services Board and the Peel Regional Police.

The community station concept, which was first developed in Japan, allows for more accessible, less intimidating interaction between police officers and the general public. Not only will this station increase citizens' sense of safety and security, it will also enhance the current level of police enforcement in the region.

I encourage the community of Malton to lend its full support and cooperation to officers working at the new station. Only by working together can we continue to maintain good law and order in this country.

* * *

[Translation]

AUTOMOBILE INDUSTRY

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, I have the honour to announce that Richard Gauthier was recently named president of the Federation of Automobile Dealer Associations. He replaces Ken Graydon, who decided to retire after 25 years of loyal service.

Mr. Gauthier brings to FADA over 27 years of experience in the automobile industry, including 14 years as president of Gauthier Pontiac Buick, in Montreal. In 1993, *Time Magazine* named Mr. Gauthier top dealer in the Montreal region.

FADA represents over 3,000 automobile dealers across Canada, 10 of whom are in my riding of Vaudreuil. As small businesses, they provide jobs for over 100,000 Canadians.

On behalf of all members, congratulations and good luck to Mr. Gauthier.

* * *

● (1405)

[English]

GREEK INDEPENDENCE DAY

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, on March 25 Canadians of Hellenic descent will be celebrating the anniversary of the liberation of their former homeland from the Ottoman Empire. In 1821, after 400 years of oppression from the Turkish regime, the Hellenes, with the help of heroes such as Lord Byron of England, helped restore freedom to Greece, the birthplace of democracy.

It is my hope that as we enter the next millennium the current provocations and tensions in this region will be completely eliminated. It is my suggestion that both nations should now concentrate on infrastructure and economic development.

The energies of their people, particularly their youth, should be focused on creating a peaceful environment which, in turn, will lead to a prosperous future.

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As John Lennon of the Beatles once said, please give peace a chance. [English]

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

* * *

[Translation]

176TH ANNIVERSARY OF GREEK INDEPENDENCE

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, next week, Canadians of Greek origin will be celebrating a very special event, the 176th anniversary of Greek independence, and the establishment of modern-day Greece.

[English]

Canada has recognized the importance Canadians of other origins place on their cultures and traditions and has encouraged all Canadians to take pride in their heritage.

In Montreal, where Greek immigrants began settling at the turn of the century, 1997 marks the 90th anniversary of the establishment of the Hellenic Community of Montreal.

Tens of thousands of Canadians of Hellenic origin as well as other Montrealers will converge in Saint-Denis on Sunday, March 30, in a show of ethnic pride. It will be my honour this year to serve as a co-grand marshal of the independence day parade along with the Mayor of Athens who will be in Canada to finalize plans for the twinning of Montreal and Athens.

[Translation]

On March 25, I invite all members of the House to wish Canadians of Greek origin: Zito i Ellas! Zito o Kanadas!

* * *

RACIAL DISCRIMINATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, tomorrow, March 21, is the International Day for the Elimination of Racial Discrimination. Proclaimed in 1966 by the UN, this day commemorates the massacre in South Africa of a group of black demonstrators during a non-violent anti-apartheid protest.

I hope that Quebecers and Canadians will take part in this day to combat racism by developing the values of equity, justice and mutual understanding.

I would like to underscore the exceptional contribution made by ethnocultural communities to Quebec and Canadian society. The riding of Bourassa, which I am proud to represent in the House of Commons, is a good reflection of the pluralistic nature of Quebec.

This day should be an incentive to us to show greater tolerance, open-mindedness and respect for differences.

CANADIAN BAR ASSOCIATION

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, it is essential that members of the House of Commons be free to attend their duties and represent their constituents without influence from any outside body or group.

It has been my experience while appearing before the justice committee to witness a letter sent to the chair of the committee and copies distributed to members, apparently for their information, immediately prior to the calling of witnesses speaking in favour of the bill.

This letter bore the letterhead of the Canadian Bar Association and the signature of a lawyer who was the chair of the national family law section.

This letter gave misleading information to the committee members and strongly urged the members to defeat the bill. I know that this was not an isolated circumstance.

My concern is the influence the Canadian Bar Association appears to have on legislation in this House. In this case, for example, I believe that since most of the justice committee members were also members of the Canadian Bar Association, they were placed in a questionable position, maybe even conflict of interest.

Who is in charge of this country, elected members of Parliament or the Canadian Bar Association?

* * *

CANADA COUNCIL FOR THE ARTS

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, I would like to congratulate the Canada Council for the Arts on its 40th anniversary. Over these last 40 years the council has provided funding for artists and arts organizations throughout the country in all fields of creative work.

Through its programs and funding the council has helped this country to grow and flourish. Canada is now renowned internationally for its cultural excellence, and its artists and arts organizations compete favourably in markets abroad.

The arts community is a dynamic force in Canada's social and economic life. It is the basis for our film, sound recording, publishing and broadcasting industries.

Several of Canada's artists who have enjoyed support from the Canada Council for the Arts are in the House audience today.

I acknowledge and salute them and all other artists in Canada who have made and are making an enormous contribution to the great nation that Canada is today.

• (1410)

[Translation]

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I am proud to say that today, March 20, Canadians and thousands of other people throughout the world are celebrating the French language.

The Francophonie plays a vital role in Canada. One Canadian in four has French as his or her mother tongue, while one in three can speak that language.

Because of its linguistic duality, Canada is one of many French speaking countries, while also a member of the Commonwealth. For that reason, Canada, in co-operation with the participating governments of Quebec and New Brunswick, maintains a special relationship with close to one hundred countries, half of which are French speaking nations.

As a member of the Francophonie, Canada is proud to show its national identity at the international level.

I would like members of this House to take this opportunity—

The Speaker: I am sorry, but the hon. member's time is up. The hon. member for Essex-Windsor has the floor.

* * *

[English]

RACISM

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, tomorrow, March 21, is the international day for the elimination of racial discrimination.

The multicoloured bow that I am wearing, the harmony ribbon, is the symbol of the international day for the elimination of racial discrimination, designed by the Multicultural Council of Windsor and Essex County. The harmony ribbon is worn as a visible symbol of the mutual respect and understanding that we have for one another and as a sign of our desire to live in a community that is free from racism and discrimination.

The colours of the ribbon, green for the land and blue for the sky and ocean, represent our unity as citizens of earth. Red roses represent love, respect and courage. Together they symbolize the beauty and harmony created when our diverse community comes together.

The Multicultural Council of Windsor and Essex County has played a long and active role in working to ensure a society that is multi-racial, multi-ethnic, multi-faith and free from all forms of racism and discrimination.

S. O. 31

Each year the multicultural council hosts the Carousel of Nations Festival celebrating the diverse multicultural character of Canada.

I encourage all Canadians to get involved. Working together, we can eliminate racial discrimination.

* * *

[Translation]

JOURNÉE INTERNATIONALE DE LA FRANCOPHONIE

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, today, March 20, is the Journée internationale de la Francophonie. The Francophonie includes 134 million French speaking people living in 49 countries, on all five continents.

French has been celebrated for 20 years. It all began when the ministers and chiefs of French speaking delegations attending an extraordinary session of the General Conference of the Agence de coopération culturelle et technique, in Paris, proclaimed March 20 the Journée mondiale de la Francophonie.

The Francophonie is, to use a line coined by Léopold Senghor, “this integral humanism which is being knit around the world; this symbiosis of dormant energies from all continents, all races, waking up to the new warmth”.

The Francophonie is a human force which lives and flourishes on every continent. Let us pursue our efforts to make the Francophonie a haven for peace and solidarity.

* * *

[English]

SPRING ON THE HILL

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, today, as I hope all members realize, is the first day of spring. Of course, spring always starts in the west where nice weather has ensured that Vancouver's daffodils are already in bloom.

This has made it possible for B.C.'s most listened to radio station, CKNW-98, to provide members with close to 300 of those beautiful daffodil blooms.

Yes, that is compliments of CKNW. Canadians know good weather and it is all on the west coast, which also happens to be the leader in federal political trends, good common sense and fresh starts.

Members of the House have probably already received their blooms from the Sergeant-at-Arms. If they have not, there is plenty more in the lobby.

To the House, a happy first day of spring from Vancouver, from CKNW and from co-sponsor General Paints.

Oral Questions

[Translation]

THE MEMBER FOR ARGENTEUIL—PAPINEAU

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, at the PQ convention in November 1996, the hon. member for Argenteuil—Papineau spoke in support of a resolution asking the PQ government to support the restoration of all national and international flights to Mirabel, and to complete its transportation infrastructure.

Quebec minister Serge Ménard opposed the Bloc member for Argenteuil—Papineau, and the resolution was readily defeated.

Last weekend, the same Bloc member submitted to his party's convention an emergency resolution so watered down that it represented no threat or obligation for the PQ, which meant that it readily passed.

The hon. member for Argenteuil—Papineau was justified last November in calling for the PQ government to come out in favour of Mirabel. With the response he received at that time, he now knows who is blocking the development of Mirabel airport.

* * *

[English]

SILVER SEVEN

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, 94 years ago, the Ottawa Silver Seven won the city of Ottawa's very first Stanley Cup.

● (1415)

In the deciding match, the Silver Seven defeated the Montreal Victorias eight to nothing. That memorable game was played in my riding at the former Dey's skating rink. In all, the Silver Seven played seven Stanley Cup series at the Dey's between 1903 and 1906.

Today in Ottawa Centre a monument will be unveiled to commemorate the cultural and sporting significance of the Dey's skating rink. In 1905 a team from Dawson City travelled nearly 4,000 miles to challenge the Silver Seven for the cup. Members of a Dawson City team re-enacting the adventure will be present at the unveiling.

I congratulate the organizing committee for making this historical commemoration of Canada's greatest sport a big success. Now we can look forward to another Stanley Cup coming to Ottawa in the near future.

ORAL QUESTION PERIOD

[Translation]

CANADIAN UNITY

Mr. Gilles Duceppe (Leader of the Opposition, BQ): Mr. Speaker, we read in *The Gazette* today that the Department of Canadian Heritage has once again wasted taxpayers' money on propaganda activities. Option Canada, an obscure branch office of the Council for Canadian Unity, obtained \$4.8 million between September 24 and December 20, 1995 right in the middle of the referendum campaign.

Can the Prime Minister tell us just what this money was used for?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, the member is certainly aware of the fact that the Government of Quebec—and I have in my hand a copy of the October 11 order in council—gave a total of \$4.8 million to the Conseil de la souveraineté du Québec headed by Yves Duhaime, the great friend of the new leader of the official opposition.

Some hon. members: Oh, oh.

Ms. Copps: And the Government of Quebec declared in this document: "Whereas the government's objective and mission is to advance the cause of Quebec's sovereignty with the people of Quebec—" This was how the government justified spending \$4.8 million during the referendum on the sovereignty of Quebec.

Mr. Gilles Duceppe (Leader of the Opposition, BQ): Mr. Speaker, the Government of Quebec hid nothing. If the member for Hamilton East would like to ask her friend Daniel Johnson to put these questions to the Government of Quebec in the National Assembly, let her do so.

She is the Minister of Canadian Heritage. She manages the public's money. If she could just answer a question from time to time.

Option Canada was incorporated on September 7, 1995. On September 24, 17 days later, the Department of Canadian Heritage gave it \$1 million. The following October 2, the day after the writ was issued, with the referendum in full swing, Option Canada received another \$2 million from Ottawa.

Some hon. members: Oh, oh.

Mr. Duceppe: It is rare to see the federal bureaucracy act so quickly. Tell that to the artists who are still waiting to hear from the Minister of Canadian Heritage.

Three million in four days is quite something. Does the Prime Minister not find it strange that his government gave millions of dollars in grants to an agency that had just been incorporated?

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Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, I would just like to stress the fact that, during the referendum, in an order in council dated October 11, 1995—and later we saw that there were other orders in council—the Government of Quebec handed over a total of \$4.8 million to Yves Duhaime to promote the sovereignty of Quebec. This was by order of the Government of Quebec.

Mr. Gilles Duceppe (Leader of the Opposition, BQ): Mr. Speaker, once again, nothing was concealed in Quebec City. That does not seem to be the case here, however.

Mr. Loubier: It is hypocritical.

Mr. Duceppe: We ask the minister one question and she answers another; it is always the same. She is unable to carry out her responsibilities. Besides which, everything the Conseil de la souveraineté did, it did before the referendum period.

• (1420)

But in this case, we do not know. And these grants in 1995-96 from the Department of Canadian Heritage to the Council for Canadian Unity, and its branch office Option Canada, represent 22 per cent of the total envelope that was supposed to be set aside for organizations representing official language minority communities.

Does the Prime Minister not find it shocking that money set aside for assistance to official language minority communities in Canada was diverted like this to secretly fund the federalist forces in the no camp during the last referendum campaign, because these expenses were never declared? Even the president of the Council for Canadian Unity was unaware of the existence of Option Canada. It is hard to believe.

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, its existence was so secret that it appeared in the public accounts under the name Option Canada. Big secret.

But if the member wants to focus on spending, when we see the difficulties of the Quebec economy right now, we would just like to point out what was spent by the Government of Quebec in connection with the referendum: secretary for restructuring, \$9.4 million; regional commissions on the future of Quebec, \$8.5 million; grants to the Conseil de la souveraineté, \$4.8 million; mailings to all Quebecers during the referendum, \$2 to \$3 million; hiring firms of lobbyists, \$0.5 million; money spent by the office of the chief electoral officer, \$57.8 million. This comes to a total of \$82.7 million, according to *Le Soleil*, which published this article when the referendum was over.

So, when a government has financial difficulties and spends a minimum of \$82 million on a referendum, they could have put this towards improving the economy, something Quebec really needs.

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, my question is for the Prime Minister.

An official spokesperson for Heritage Canada said he had no idea what use was made of the funds the federal government gave to Option Canada. Claude Dauphin, one of the founding presidents of Option Canada and the Liberal candidate approached to run in Notre-Dame-de-Grâce indicates that these funds were not used to fund the no side of the referendum campaign.

What guarantees can the Prime Minister give us that the federal subsidy to the phantom Option Canada were not used in some way to subvert the Quebec referendum act?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, we followed the same route as the Conseil pour la souveraineté du Québec, which received \$4.8 million from the Quebec government, but did not spend this money for referendum purposes.

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, oddly enough, in addition to Claude Dauphin, the founding members of Option Canada also include three members of the Council on Canadian Unity: Michel Vennat, Jocelyn Beaudouin and René Lemaire.

Is this incest, to say the least—

Some hon. members: Oh, oh.

Mr. Loubier: Yes, ladies and gentlemen.

Mrs. Venne: —the real reason Option Canada obtained millions of dollars barely a few days after its incorporation, without having to provide any accounting of the use it made of this money?

Hon. Sheila Copps (Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, the extended family of the new leader of the Bloc Québécois includes Yves Duhaime, who, obviously, with his sovereignist option received directly a total of \$4.8 million before and during the referendum period for these purposes. It seems to me, that if we follow the same route as the Conseil de la souveraineté du Québec, we are acting according to the same rules as Mr. Duhaime.

* * *

[English]

EMPLOYMENT

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, Canadians are fed up with the revisionist numbers the finance minister uses to put a pretty face on the ugliest job creation record since the dirty thirties.

Oral Questions

• (1425)

Here are the facts: There are 1.5 million unemployed Canadians, just like with Mulroney, and 800,000 people are moonlighting just to make ends meet. Our largest trading partner has an unemployment rate half of what ours is. Despite the \$6 billion infrastructure program, employment in construction actually has dropped by 40,000 jobs. Canadians have had a \$3,000 pay cut because of the 37 separate tax hikes by this government.

When is the light going to go on for the minister? When is he going to understand that taxes, taxes, taxes kill jobs, jobs, jobs?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, perhaps the hon. member would be interested in some of the economic indicators that came out this week.

Real merchandise exports increased 4.3 per cent in January. Manufacturing shipments rose 2.2 per cent in January. Retail sales increased 1.4 per cent in January. The help wanted index rose 1 per cent in February. Real gross domestic product and market prices grew 2.9 per cent annual rate in the fourth quarter. The fact is that Canada is on a roll.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the sad fact is that many Canadians are on the dole.

Let us look at those job growth figures the government loves to boast about. There has been a 25 per cent increase in temporary jobs since 1989. For half of those entering the workforce since December 1995 the only job they could get was a part time job. Fifty-five per cent of the people who did find a job are self-employed and they are the ones the government is going to hit hardest with the massive CPP tax increase.

Can the minister explain how sucking \$3,300 out of the pockets of the self-employed creates jobs? Why does he not admit that what he is really doing is killing jobs?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, how can the hon. member complain about the 9.9 per cent CPP premium rate that was arrived at by the federal government and eight of the provinces which have joint stewardship over the plan when the plan put forth by the member's party called for a rate of 13 per cent to 14.2 per cent? How can the hon. member stand up here and complain about the Canada pension plan?

Will he say what his party's super RRSP will do for Canadians who have an automobile accident and are suddenly disabled? I will tell him. It will do nothing. It will put that person on the dole. What will Reform do for parents who need maternity leave? Our Canada pension plan protects them; Reform abandons them. What will the Reform do if there is a market crash? The Canada pension plan will protect them; Reform will abandon them. That is the problem: Reform abandons Canadians.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the fact is that Reform's plan will give all Canadians better benefits at lower costs than the Liberal plan. The numbers the finance minister was quoting are probably from Liberia or Panama or somewhere else.

The government's jobless record for youth is absolutely pathetic: 16.9 per cent last month, up from 11.9 per cent in 1988, 12.7 per cent in 1990, a 40 per cent increase in joblessness for Canada's youth. As the last hired and the first fired they know the effects of job killing policies.

To quote the finance minister, payroll taxes are a cancer on job creation. Can the finance minister explain again how his \$10 billion annual payroll tax hike is going to encourage jobs among our youngest Canadians? Can he explain how his job killing payroll tax is going to encourage businesses to hire more young people? We want an answer.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if the Reform Party is so concerned about jobs, why did the leader of the Reform Party say in 1993 in Penticton that it would bring forth a financial plan that would cost the country jobs, not add jobs. That is what Reform members are prepared to run on. We have created 795,000 jobs in the private sector since we have taken office. That is 795,000 jobs more than Reform said it was capable of doing.

Look at the state of the country when we took office. Interest rates were going up, taxes were going up, the country was dispirited. As a result of the actions of this government and of Canadians, our interest rates are at an all time low. There is no longer a debate about rising taxes; the debate is about lowering taxes. The fact is there is hope in this land. Our exports are up, our inflation is down. Canadians know full well it is because we have confidence in them and Reform has confidence in nothing.

* * *

• (1430)

[Translation]

GOODS AND SERVICES TAX

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

Yesterday, in response to my question on the compensation owed to Quebec for harmonizing the QST with the GST, the minister finally admitted that the compensation formula used is not designed to provide harmonization assistance but rather assistance to the Atlantic region. This clearly shows that his bad decision is politically untenable.

How can the Minister of Finance tell us today that he has found nothing better to do, to provide assistance to the Atlantic prov-

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inces, than to dig into the pockets of Quebec taxpayers to subsidize the maritimes and help them better raid Quebec businesses?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I stated unequivocally yesterday that mutual assistance between regions was an inherent part of the Canadian confederation. And, yes, helping a province or region through difficult times involves using taxpayers' money.

Let us not forget that Quebec's equalization payments come from the taxes paid by Canadians, as does the financial support to Quebec's aviation industry.

Looking at how Canada builds its strength, the hon. member should know that the regions are there to support one another. Therein lies Canada's strength, and it will continue to be a building block for Canada.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I am always baffled when I listen to the Minister of Finance talk about what he has given to Quebec. We are paying \$30 billion per year to the federal government. We are asking for what is ours. Nothing more.

Why does the Minister of Finance not take the advice of the three premiers who support Quebec on this? Why not, for once, be fair to Quebecers and give them the \$2 billion he owes them?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I have explained time and time again in this House that compensation was offered to those provinces whose loss in revenues resulting from tax harmonization exceeded 5 per cent.

I would like to quote some statistics now. In Quebec, in 1989-90, the sales tax brought in \$5.1 billion in revenues. In 1990-91, the first year of the harmonized tax, \$5.3 billion; in 1991-92, \$6.1 billion; in 1992-93, \$6 billion; in 1993-94, \$5.5 billion; in 1994-95, \$5.4 billion; in 1995-96, \$5.6 billion.

Each year following harmonization, Quebec has brought in more money than before harmonizing. That is why, like some other provinces, Quebec is not getting any compensation.

* * *

[English]

EMPLOYMENT

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, for 77 months the unemployment rate has been over 9 per cent in this country, which is the highest rate for the longest time since the great depression. People are going bankrupt in record numbers. One number the Minister of Finance did not trot out in his long diatribe was the fact that 100,000 people's lives are in tatters in this country because they have gone bankrupt under the Liberal government's policies.

What did the minister's parliamentary secretary say when the unemployment numbers were announced? He said: "It is disappointing". It is not disappointing, it is a tragedy. It is an absolute disgrace for people whose lives are being left in tatters because of the policies of this Liberal government. Will the Minister of Finance tell us when he is going to make a real commitment to job creation and family security by reducing taxes?

• (1435)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the fact is that in our budget we dropped taxes by \$2 billion over three years. We did it directly to help those Canadians who need the help.

We should understand that the debate between the Reform Party and ourselves is not over a desire to reduce taxes. Every single Canadian in this country, including every member of this caucus and this government, wants to reduce taxes. The issue is when and under what circumstances and at what cost.

Let us understand what Reform would do to reduce taxes. In order to reduce taxes and justify its tax cut, Reform will cut old age pensions by \$5 billion. That is the difference between Reform's projections in its original budget and the projections it is making today. Reform members will cut equalization payments by \$3 billion and will cut all kinds of people off in the seven receiving provinces. Reform has essentially said that it will cut the Canadian health and social transfer by \$3.5 billion in order to justify its tax cuts.

In other words, the tax cut Reform is offering is a tax cut for the rich and it will eviscerate the programs that help the poor and the middle class in this country. We will not do that.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, if you would give us the time, we could refute each and every one of those statements because they are not true.

The minister has no concern for the people who are worried about a missed mortgage payment and the desperation they feel when they go another month without a job. He has no concern for the pain of a taxpayer trying to explain to his children that the government can take his taxes but it cannot give him a job and that his little kids have to go without their soccer and hockey practices because they cannot afford it.

Canadians are feeling a lot of pain and the minister has nothing new to offer to them. In all good conscience, how can he preach about an improved economy and how his policies are going to deliver a better life when 1.5 million Canadians have no jobs and millions more are struggling to put food on the table and trying to make ends meet?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there is nobody in this government, in fact there is no right thinking person in this country who is happy with the level of unemploy-

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ment. The fact is that there is great pain and suffering out there. Young Canadians are looking for jobs.

We ought to understand the different approaches the respective parties are taking. We have created over 790,000 jobs in the private sector. At the same time it is important to understand that since we have taken office we have created 550,000 full time jobs.

I can tell this House exactly what Reform policies would lead to. Now that we have seen very clearly that the Conservatives are battling the Reform for bragging rights over the extreme right wing, let us look at what happened under its administration. Reform policies as practised by the Tory party: compared to the 550,000 jobs that we have created, in the last Tory mandate it lost 150,000 full time jobs. That is what these guys would do.

* * *

[Translation]

FERRY SERVICE

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, my question is for the Minister of Transport.

On February 6, I asked the minister about replacing the Magdalen Islands ferry, but he would only say that the ferry service between the islands and P.E.I. would be maintained, without specifying what he will do with the \$30 million budget that he has had available for more than two years, but has yet to use.

Will the Minister of Transport confirm, without beating around the bush, that his government is about to replace the *Lucy Maud Montgomery* with the old *Princess of Acadia* to provide ferry service for the Magdalen Islands, and that his government has therefore decided not to buy the Irish ferry *Island of Inishmore*?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the government's position is very clear. It is the position which I explained to the hon. member a few weeks ago. We will replace the *Lucy Maud Montgomery* as soon as we find another ferry that will not cost the taxpayers anything over and above the \$30 million mentioned by the hon. member.

• (1440)

The *Lucy Maud Montgomery* has undergone safety inspections, as well as maintenance and repair work. It will be ready to serve the people of the Magdalen Islands when service resumes, in April.

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, the Minister of Transport is currently assessing the condition of the *Princess of Acadia* and it is no secret that he is about to try to dump that ferry on the people of the Magdalen Islands, with a big red ribbon, on the eve of the election.

An hon. member: It is an old tub.

Mr. Bernier (Gaspé): Is the minister waiting for the election campaign to finally find a safe and lasting solution, or is he waiting until after the election to give the bad news to the people of the Magdalen Islands?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, as I just said to the hon. member, we want to replace the *Lucy Maud Montgomery* with a boat that will cost less than the \$30 million we set aside.

We are indeed looking at various options, but a decision has yet to be made. In the meantime, I can tell the hon. member that the *Lucy Maud Montgomery* is in good shape and that it has been properly maintained.

* * *

[English]

NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, the media report today that one of my constituents has again confirmed that the Governor General of Canada, the Commander in Chief of the Canadian Armed Forces, pays no taxes but our troops serving under the Governor General have had their pay frozen and have suffered 37 tax increases by the government.

Why will the Minister of National Defence not treat our troops properly, fairly and with respect? Why will he not give them their long overdue pay raises? Why will he not do what is right?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, again the hon. member does not do his party any service in the preamble to that question. No doubt the fate of the Canadian forces and their appropriate requirements to be cared for in an adequate way are some things that we have under active consideration.

The hon. member will know that we have asked the Standing Committee on National Defence and Veterans Affairs to look into the people needs of the Canadian forces. There will be an in depth study over the next few months to ensure that we respond to those needs.

In the interim I can tell the hon. member that I will be announcing some improvements in the situation for the Canadian forces next week. I only regret the Reform Party has not made any contribution to the process of reviewing the future of the Canadian forces.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, once again the minister is spewing forth typical Liberal rhetoric: strike up a committee, make a study, spend millions of taxpayers' dollars and wait for a report. That is the Liberal way.

Currently there are Canadian Armed Forces pay and benefit recommendations before Treasury Board. The defence minister is letting them collect dust while he drags his feet.

Oral Questions

Why is the minister refusing to act on these recommendations? Why will he not give our military its long overdue pay increases? Why will the minister not just do what is right?

Hon. Douglas Young (Minister of National Defence and Minister of Veterans Affairs, Lib.): This is pretty scary stuff, Mr. Speaker. I fear the hon. member speaketh with forked tongue.

Yesterday the hon. member and his party refused to co-operate in arranging for the Standing Committee on National Defence and Veterans Affairs to travel across the country to meet with members of the Canadian forces to be able to see exactly what the people needs are in the Canadian forces. That is something I have done from coast, to coast, to coast. I have visited with the Canadian forces. They know there are needs they would like to have addressed.

Instead of spewing whatever it was that the hon. member has just got finished with, it is too bad he would not spew the truth some time and support the Canadian forces instead of yap about it.

* * *

[*Translation*]

HUMAN RIGHTS

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, my question is for the Prime Minister.

The new human rights commissioner tabled her first annual report this morning. She criticizes the government's lack of constructive action in a number of areas, including the lack of follow up to the report of the Royal Commission on Aboriginal Peoples.

• (1445)

As regards foreign policy, does the Prime Minister, who still is refusing to raise the issue of human rights publicly on Team Canada trips, acknowledge that his government is much better at high-sounding rhetoric than practical action, as the Canadian Human Rights Commission argues?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, what the member has said is totally wrong. Each time I went to countries where there were human rights problems, I raised them—in China, in Indonesia and elsewhere. He cannot say we did not raise these issues abroad.

Today we received the commissioner's report, and we will note it carefully. We received a 4,000 page report from the commission on aboriginal peoples. The minister has already put a number of recommendations into effect. He was doing so in fact even before the commission report came out, because he was in contact with the heads of the commission.

The report has just come in. It is a very important report, and we have said it requires consideration and consultation, before a full policy may be proposed. We had already implemented several recommendations, before the publication of the report.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, the least we can say is that when the Prime Minister raises human rights issues he makes few waves abroad.

We will come back home for my supplementary. The commission strongly criticizes the government's inaction in 1996 on the issue of people with disabilities. Perhaps the Minister of National Defence would care to pay attention.

It stressed the fact that, apart from a few isolated breakthroughs, 1996 was for many of them—persons with disabilities—a year of almost total stagnation, with certain hard won gains actually being lost.

Will the Prime Minister acknowledge that the election goodies he offered people with disabilities do not make up for all the many cuts he has made, which are behind the deterioration in the situation of people with disabilities?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I find that particularly deplorable, because the government made provision in its budget to help people with disabilities deal with their specific problems, as was recommended by a committee of the House of Commons. The hon. member probably does not want to recognize it, but we acted immediately in the latest budget on the recommendations of the committee.

In society, there are always problems to be solved. We solve a lot of them, but I know they are interested in only one thing—a form of destruction—while we are trying to build a society to everyone's benefit. That is why we did something in the latest budget for people with disabilities.

* * *

[*English*]

CANADIAN POLAR COMMISSION

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, my question is for the Minister of Health.

The Canadian Polar Commission held a conference on contaminants in the Arctic environment last fall. Because of the potential risk to human health the Department of Health was invited to participate.

Since the minister is concerned with the health of all Canadians including northerners, could he tell the House why not one official from his department participated in this important Arctic conference?

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I thank the member for recognizing that Health Canada is concerned about the health of all Canadians.

Oral Questions

He will also recall that Health Canada is actively involved with aboriginal people and other sister agencies at the federal and territorial levels in matters that concern the environment through the Arctic environmental strategy and the international Arctic monitoring and assessment program.

The member will also recognize that the Canadian Polar Commission is actively in receipt of resources from the federal government. In fact the conference received supplementary benefits from the government.

In the spirit of co-operation, when the specific health officials who had been invited found that they could not meet the timetable required they contacted the lead health agency in the area, the Northwest Territories department of health, and arranged to have the health sector represented by health officials from the territories.

• (1450)

They did an admirable job. I thank the member for recognizing the health concerns of Canadians were well represented.

* * *

ORGANIZED CRIME

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, biker gangs are a scourge and a blight on our society. Gangs like the Hell's Angels and the Rock Machine exist for one reason only and that is to commit crime.

In Quebec the biker gangs are killing for control over the lucrative drug trade and prostitution. The same thing is happening in Toronto, Vancouver and Winnipeg. In fact it is happening in every major city in the country.

It is pretty strong evidence that the government's soft on crime approach to criminal justice is an unqualified failure. To make matters worse, the justice minister refuses to debate the benefits of anti-gang legislation.

If the minister will not allow Parliament to consider anti-gang legislation, what specific steps will he take to crush the criminal activities of the Hell's Angels and the Rock Machine not only in Quebec but right across the country?

Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I thank the hon. member for his question.

As he is aware, the Minister of Justice is meeting in Quebec today with provincial counterparts, mayors and police agencies. He has indicated that as a result of meetings held last fall a number of changes were being considered to the Criminal Code of Canada. These changes would give the police the tools to crack down on this type of organized criminal activity.

You were in error to suggest that the door was closed on considering measures to deal with anti-gang legislation. It is possible, and the minister indicated that this request would be reviewed.

The Speaker: I remind members to always address their remarks through the Chair.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, all the Liberal government seems to do is review, review, review. In the meantime the lives of Canadians right across the country are in jeopardy. Canadians are living in fear.

The only way to deal with organized crime is to rip the heart out of its operation. It exists to make a profit. The government has had 3.5 years to do something about it and has failed to do so.

Canadians want safe streets and clean neighbourhoods. They will not tolerate having their lives held hostage by a few lawless people.

If the justice minister is serious about cleaning up biker gangs, will he enact legislation giving the RCMP and the prosecutors special powers to wipe out organized gangs like the Hell's Angels and the Rock Machine?

Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the federal government introduces and deals with legislation through the Criminal Code. The administration of justice is the responsibility of provincial governments. It is the responsibility of municipal officials and their police departments to enforce the laws that are in effect.

Murder is a crime. Bombing is a crime. Drug trafficking is a crime. What is needed is strong enforcement at that level. The federal government, provincial governments and municipal officials need to work together to solve the problem.

This has been a problem for a considerable period of time. It is amazing that finally the Reform Party has figured out that it is a problem.

* * *

[Translation]

POLICE SERVICES IN PORTS

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Transport.

A rare occurrence: last Friday the Minister of Transport managed to gain unanimity, but it was against him. When he announced the federal withdrawal from police services in ports from Vancouver to Halifax, including Montreal and Quebec, there was a general hue and cry against his method of unilaterally announcing, without any impact study, that this withdrawal would take effect before next fall.

How could the minister have presented a so-called new model of port policing without reaching any agreement with the provinces concerned?

[English]

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the ports police issue was examined in great detail by a Coopers & Lybrand study. It proposed a new model for the policing of our major ports.

• (1455)

To make sure the study done by Inspector Mann was confirmed we had another study done by the former chief constable of the city of Vancouver, Mr. Stewart, and the former head of the RCMP detachment for North Vancouver, Mr. Gill Yard. They came to the same essential conclusion that more effective policing could be done. More effective means more security for the Canadian public.

As the hon. member mentioned Vancouver, I have to mention that British Columbia did not take part in that study although every other affected province did. We therefore waited until a study was done by Superintendent William Neill, the former Saskatchewan RCMP head. He did a study for the province of British Columbia which came to the same conclusions.

There have been three studies by senior police officials which say we can get more security for the Canadian public by a new model that uses municipal policing, customs services, immigration and security services. That deals with criminal problems much more effectively than the existing model we are using now.

* * *

FOOD AND DRUGS ACT

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, many Canadians use health foods, nutritional supplements, as a preventive measure. We have health police in Canada who are going after them. That crew over here fights cigarettes with more nicotine while attacking 60 common products like camphor and mineral oil.

Will the government admit that the Food and Drugs Act requires amendment to create a category for nutraceuticals so that these products will continue to be available for all Canadians?

Mr. Joseph Volpe (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, the hon. member is being irresponsible by highlighting a couple of instances that hide the fact that Health Canada is being extremely responsible and diligent in the exercise of its obligation to ensure that all products that come on the market are both safe and effective for consumption, especially when there is a medicinal claim attached to them.

We cannot blame our officials for doing the job entrusted to them and demanded of them by Parliament.

Oral Questions

CANADA POST

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, I have a question for the minister responsible for Canada Post.

When the Canada Post mandate review report was made public last October, the minister promised that Canada Post would not be privatized as long as it continued to fulfil a public policy role. The report strongly recommended that the corporation should not be privatized.

However, in a study that the minister commissioned by TD Securities she has asked the firm to evaluate whether withdrawing from competitive operations is consistent with the objective of possibly "privatizing Canada Post".

Does the minister agree that Canada Post should remain a crown corporation, which is what she said last fall? Or, is she seriously considering privatization which is suggested in the terms of reference in the present study?

Hon. Diane Marleau (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I stand by what I said last fall. As long as Canada Post serves a public policy purpose then it should not be privatized.

* * *

HONG KONG

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, yesterday the Liberal government announced that residents of Hong Kong would continue to be exempt from Canada's visitor visa requirement after the territory has been returned to Chinese control.

Could the Minister of Citizenship and Immigration inform the House why this is an important initiative for Canada?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, visa free access for Hong Kong people is very good news for Canada and for Hong Kong.

More than 100,000 Canadian people live in Hong Kong. More than 500,000 Canadians living in Canada have come from Hong Kong. Every year Canada has more than 200,000 visitors from Hong Kong. They come here for business, to visit family or for tourism.

After the assurances we received from the Hong Kong authorities and the Chinese government, it was very important that we were able to maintain the visa free access. That is very good news for everyone.

*Business of the House***TOBACCO PRODUCTS**

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have a quote from a recent Health Canada study which shows that the nicotine content of tobacco used in Canadian cigarettes has increased 53 per cent in the last 27 years.

• (1500)

This government has invested \$2 million in increasing the nicotine content of tobacco to make it more addictive in its Delhi plants in Ontario. I ask the Prime Minister, for the sake of all Canadians and in particular for the health of our youth, will he stop using taxpayers' money to fund research into increasing the addictive potential of cigarettes?

Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri-Food, Fisheries and Oceans), Lib.): Mr. Speaker, the premise of that question is completely false. For many days in the wording of their questions Reform members have tried to suggest that Agriculture and Agri-Food Canada was doing research to enhance nicotine content. We have denied that in the answers we have given in this House. Again today they are wrong. There is no such research being done by Agriculture and Agri-Food Canada to enhance nicotine levels.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I would like to ask the Deputy Leader of the Government to tell us what will be on the legislative agenda when we return from the Easter recess?

Hon. Alfonso Gagliano (Minister of Labour and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, since this is the first time my hon. colleague has made the standard Thursday enquiry as House leader for the Bloc Québécois, may I take this opportunity to congratulate her on her new duties.

Tomorrow will be the last day of debate on the budget.

[English]

When the House resumes after Easter, as soon as is procedurally possible it will be asked to deal with the three or four bills emanating from the budget.

In addition it would be helpful if I reiterate for the House the other items that will be given high priority: Bill C-82, the financial institutions legislation; Bill C-44, the courts; Bill C-32, the copy-right amendment; Bill C-17, Bill C-27 and Bill C-46 which amend the Criminal Code; Bill C-5 representing bankruptcy; Bill C-65,

the environment bill; Bill C-79; Bill C-55, the high risk offenders legislation; Bill C-66, the Canada Labour Code amendment; Bill C-38, the farm debt bill; Bills C-39 and C-40 which relate to flooding agreements; Bill C-49, the administrative tribunals bill; Bill C-67, the competition legislation; Bill C-72, the Canadian Wheat Board Act amendments; Bill C-81 respecting the Canada-Chile free trade agreement; Bill C-84 respecting citizenship; Bill C-86 respecting transportation acts; and Bill C-89 regarding powers of customs officers.

There is a lot of work to be done when we come back. I wish everybody a happy Easter so that we can come back in health to work hard.

[Translation]

Mrs. Tremblay: Mr. Speaker, that was a very long list, and I did not hear C-17 mentioned. Was it forgotten, or was it on the list?

[English]

Mr. Gagliano: Mr. Speaker, Bill C-17 is at the top of the list.

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe you will find there is unanimous consent for the following motion. There has been very good co-operation among all of the parties. On behalf of the government I wish to thank my colleagues on all sides of the House for their co-operation.

I move:

That the motion to amend the motion for second reading of Bill C-82 be deemed to have been withdrawn and the motion for second reading and reference to committee of the said bill be deemed to have been put and a division demanded and deferred to 5 p.m. this day.

That all questions necessary to dispose of the report stage and the third reading stage of Bill C-81 be deemed to have been put and adopted.

That all questions necessary for the disposal of the consideration of Senate amendments to Bill C-70 be deemed to have been put, and a division thereon requested and deferred to 5 p.m. this day.

And that no later than 4.59 p.m. this day, any proceedings before the House be interrupted and all questions necessary to dispose of the third reading stage of Bill C-32 be put without further debate or amendment.

• (1505)

The Speaker: Does the hon. parliamentary secretary have unanimous consent to put the motion?

Some hon. members: Agreed.

(Motion agreed to).

Mr. Milliken: Mr. Speaker, on a point of order. I wonder if I could seek unanimous consent of the House to revert to presentation of reports from committees.

The Speaker: Is there unanimous consent?

Speaker's Ruling

Some hon. members: Agreed.

you let me review the blues and I will come back to the House on the two points that the member raised, if I find it is necessary.

STATEMENT PURSUANT TO S. O. 31

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

CODE OF CONDUCT

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Special Joint Committee on a Code of Conduct.

Mr. Lebel: Mr. Speaker, I also wish to seek the unanimous consent of the House to table a report of the Standing Joint Committee for the Scrutiny of Regulations. Is it possible to obtain that consent?

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

SCRUTINY OF REGULATIONS

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, pursuant to the referral to committee set out in section 19 of the Statutory Instruments Act, the Standing Joint Committee for the Scrutiny of Regulations draws the attention of the House to the Regulation on notification of directions for treatment by the governor in council under subsection 672.6(1) and section 672.95 of the Criminal Code, November 19, 1992, under Registration No. SOR/92-665.

[*English*]

The Speaker: Colleagues, Bill C-81, an act to implement the Canada-Chile free trade agreement and related agreements is concurred in at report stage, read the third time and passed.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, you have taken a fairly firm position with regard to character assassination in the House.

Twice during question period when the Minister of National Defence was responding to the member for Okanagan—Similkameen—Merritt, he queried the veracity of the member. On one occasion he said he thought the member spoke with forked tongue and toward the end of his answer he wondered why the member did not speak the truth.

To be consistent, Mr. Speaker, I believe that you should ask the Minister of National Defence to withdraw these comments.

The Speaker: My colleagues, I did not hear the minister say that it was an untruth. I did not hear the minister say "a lie". Would

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, today I made reference to a letter in my Standing Order 31 statement. I would like you to seek unanimous consent of the House for me to table the letter.

• (1510)

The Speaker: Does the hon. member have the consent of the House to table the letter?

Some hon. members: Agreed.

The Speaker: Agreed and so ordered.

* * *

PRIVILEGE

BILL C-46—SPEAKER'S RULING

The Speaker: Colleagues, I am now ready to rule on the question of privilege raised by the hon. member for Hamilton—Wentworth on Tuesday, March 11, 1997 concerning the scheduling of the consideration of the subject matter of Bill C-46, an act to amend the Criminal Code (production of records in sexual offence proceedings), by the Standing Committee on Justice and Legal Affairs.

[*Translation*]

I thank the hon. member for Windsor—St. Clair, the hon. member for Berthier—Montcalm, the hon. member for Winnipeg Transcona, and the hon. member for North Vancouver for their comments in this matter.

[*English*]

In his submission, the hon. member for Hamilton—Wentworth argued that his rights as a member of Parliament had been breached by the Standing Committee on Justice and Legal Affairs. He claimed that the committee had misinterpreted and misused Standing Order 108(2) by scheduling that morning a meeting to consider the subject matter of Bill C-46 when he believed that second reading debate on the bill was to resume in the House that same afternoon.

He maintained that in order to participate in a more relevant manner in the committee's meeting, it was important for him to be present in the House that afternoon for the second reading debate on the bill. Thus he claimed that his rights and privileges to appear and participate in the committee's deliberations had been denied.

[*Translation*]

As members are well aware, important procedural reforms have evolved from the recommendations contained in the report of the Special Committee on Reform of the House of Commons, commonly referred to as the McGrath Report, which was tabled in June 1985. One of the main features of the report was its proposal

Government Orders

to empower committees to initiate their own studies without any specific order of reference from the House.

This proposal resulted in what we now know as Standing Order 108(2), which confers upon standing committees a wide-ranging authority to examine and report on all relevant matters pertaining to the mandate, management, organization or operation of specified departments. It is pursuant to this Standing Order that the Standing Committee on Justice and Legal Affairs chose to undertake a study of the subject-matter of Bill C-46.

[English]

As indicated by the justice committee chair, the member for Windsor—St. Clair, this course of action has been followed by other committees. For example, the Standing Committee on Finance decided in January 1990 to undertake consideration of the subject matter of Bill C-52, an act to amend the Income Tax Act and related acts. More recently the justice committee initiated an examination of the subject matter of Bill C-45, an act to amend the Criminal Code (judicial review of parole ineligibility). It is interesting to note that in both these cases the committees were holding meetings on the subject matter of these bills while the House was either proceeding with or resuming second reading debate of the same bills.

Committees are free to set their own priorities, establish work plans and schedule their business. As the Speaker, it is not my role to get involved in such committee matters and I would refrain from doing so, as have my predecessors. However, as the hon. member for Winnipeg Transcona stated that “the spirit of the McGrath reform was that things would not be happening simultaneously”, perhaps committees could keep this in mind when planning their work.

I would also like to remind all members that the daily publication, Projected Order of Business, provides them with the listing of all business expected, and I repeat expected, to be taken up on a particular day as well as some days to come. However, as you know, the government is not bound by this publication and retains the right, under Standing Order 40(2), to call any item of business listed under government orders on that day's Order Paper.

May I draw your attention to the fact that the business printed on the Projected Order of Business is subject to change without notice. This is clearly emphasized in the note appearing under the title of the document. As committees plan their work, they may or may not be aware of changes to the Projected Order of Business, or the progress made on a bill for that matter.

• (1515)

[Translation]

In the case presently before us, the resumption of second reading debate on Bill C-46 was listed on the *Projected Order of Business*

published for Tuesday, March 11, 1997. This may have caused some members to assume that this item would be taken up that day. In fact, this particular item was not called on that day. It would therefore appear to have been premature on the part of the hon. member for Hamilton—Wentworth to raise the question at that time as Bill C-46 was not considered by the House that day.

[English]

I have given careful consideration to the matter presented by the hon. member for Hamilton—Wentworth and I have taken into account the extent to which this matter infringed on his ability to perform his parliamentary duties.

It has always been difficult, and increasingly so nowadays, for members to manage their time because of the constraints imposed on them by the House, committee meetings, as well as caucus and constituency business, and members often must make choices as to what business they should give priority.

Although I can certainly sympathize with the hon. member's predicament, he was not, in my estimation, prevented from carrying out his parliamentary responsibilities. Therefore the Chair does not find that a prima facie case of privilege has been made.

[Translation]

I thank the hon. member for Hamilton—Wentworth for bringing this matter to the attention of the House.

GOVERNMENT ORDERS

[English]

COPYRIGHT ACT

Hon. Sheila Copps (for Minister for International Trade, Lib.) moved that Bill C-32, an act to amend the Copyright Act, be read the third time and passed.

She said: Mr. Speaker, our culture defines who we are. It is what makes Canada unique in the world. Bill C-32 is not only about culture, it is about creating jobs and growth for Canadians. It is about strengthening Canada's cultural industries and strengthening the very things that allow us to tell our very unique story.

Nine hundred thousand Canadian jobs depend on the cultural sector and nearly 5 per cent of our gross domestic product comes from culture. Over the last five years the cultural sector has grown faster than the economy as a whole. But this success did not happen by magic. It took incredible talent, risk takers, artists and millions

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and millions of Canadians who wanted to hear and see and read our story.

What is copyright? Copyright is protecting people's creative work. It means that creators have the right to be paid when their work is used for commercial purposes.

According to Statistics Canada the average Canadian artist is among the lowest paid in the economy, earning only about \$13,000 per year.

[*Translation*]

Just a few weeks ago, I was pleasantly surprised to meet world-renowned author Antonine Maillet. She told me that she could not live on her royalties alone, that she had to give lectures to make ends meet.

[*English*]

This bill is about fairness and making sure that Canada's creators are paid for the work they create, for their intellectual property. This bill has struck a balance which safeguards the interests of the users so that all Canadians can continue to be exposed to Canada's story.

We have listened carefully, and this is a copyright act that respects those values. That is how Canadian culture will flourish and that is how jobs will continue to be created in the cultural industries. We need an act that deals with the realities of today, not 1924 when the act was first adopted.

• (1520)

[*Translation*]

For eight years now, successive governments and ministers have been working on this copyright bill. With Bill C-32, we tried to strike a balance between the creators' rights and the need to make their works accessible to everyone. Bill C-32 creates a healthy and fair environment for Canadian book distributors.

As for all framework legislation, the Copyright Act as amended by Bill C-32 sets out the legitimate right of creators to be compensated for the commercial use of their works, while ensuring that the international community has reasonable access to these works.

Given the number of creators and users affected, it is not surprising that Bill C-32 took so long. It is the result of a long and painstaking study and consultation process.

[*English*]

First of all I want to thank all the members of the committee who did the real work in bringing back into the House Bill C-32 for third reading.

[*Translation*]

In particular, I would like to thank the hon. member for Lachine—Lac-Saint-Louis, the committee chairman, for his leadership on a very sensitive and complex matter.

[*English*]

We are extremely grateful that we have a colleague in this House who is the model of calm, reasoned and impassioned guidance.

[*Translation*]

I would especially not want to forget to thank also the one who took care of the painstaking balancing act, that is, my parliamentary secretary, the hon. member for Restigouche—Chaleur. He guided us through every step with his usual devotion and impartiality.

[*English*]

I want to thank also the members of the Liberal caucus who spent hours and hours ensuring that we achieved the right balance. I would be remiss if I did not in particular single out—

[*Translation*]

—the work done by the critic of the official opposition, the hon. member for Richmond—Wolfe, who put his own political interests aside to co-operate with all of us on a very important issue for all the artists of our country.

There are times in politics when one has to put his or her own beliefs aside to work on drafting good legislation. I think that this is what we succeeded to do together.

Aided by our consultations, the government put forward a number of amendments at third reading. These amendments were aimed at improving the bill.

[*English*]

I want to point out that the only party in the House that is opposed to copyright is the third party, the Reform Party. I think it is important to point out how the Reform Party has in its own charter cited the importance for respect of property rights. Let me quote from the Reform Party's policy on constitutional reform: "The Reform Party supports amending the charter of rights to recognize that in Canada there has existed the right of every person to the ownership, use and enjoyment of property, both real and personal, and the right not to be deprived thereof except by due process of law".

Unfortunately despite the stated belief in property rights this party did not recognize these rights when it came to Canada's creators and artists. The Reform Party unfortunately refuses to recognize that when an artist creates a song, quand Céline Dion chante or when Shania Twain sings the voice of Shania Twain is what makes that song unique. Up until the passage of this bill Shania Twain was never recognized as the creator of the record or the CD that bore her name. Historically, because of copyright reform almost a decade ago, we paid the person who writes the Shania Twain song but we never paid the singer. Bill C-32 will change that.

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• (1525)

The Reform Party does not recognize the legitimate rights of what yesterday the Speaker so eloquently called the soul of our nation. Copyright reform also plays a real and important part in maintaining our place in the world and in maintaining our identity. By bringing in this bill the government is recognizing that culture is the lifeblood of what we are as a nation and that culture is part of our collective identity.

For nearly ten years artists have awaited the reform of phase II of copyright. Last December the world community, through the World Intellectual Property Organization, concluded two new important world treaties, the copyright treaty and the performances and phonographs treaty. Unfortunately Canada could not sign those treaties. Our own copyright legislation was so out of date that we could not sign a convention which was established in 1961. Bill C-32 will fix that. Canada will finally be in a position to join the world community as a full respector of copyright.

We can also move forward to address the pressing issues related to the digital agenda and the pressing issues related to the performances and phonographs treaty of world intellectual property.

[*Translation*]

We worked very hard to give Canadian artists, who work in conditions that are among the poorest of all trades, the opportunity to get financial reward for what they currently do on a royalty-free basis.

Bill C-32 is good both for creators and for people who use the products of the Canadian cultural industry, that is, Canada as a whole. I am therefore asking the members of the House to demonstrate resolve and respect.

[*English*]

I am asking all members of the House to underscore their respect for copyright by supporting the third reading of this bill and by ensuring that it has a speedy move to the Senate where we fully expect the kind of co-operation which was very evident in the debate in the House of Commons.

I also want to say a special thank you to the Liberal whip's office and in particular the whip and the deputy whip for the work they have done in bringing this bill together. I thank the House leader, the whip, the deputy whip and the deputy House leader. Hopefully the bill will be sent to the Senate tonight for first reading. It is a bill which has been a long time coming. It will mean a better life for thousands of Canadian artists.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, it is with much pride that, as the official opposition critic for heritage and cultural industries, I stand to take part in this debate.

This is an occasion of great pride and a great step forward for the artists, the creators, those who nurture our imagination and our culture; it is a great step forward because, after third reading, this bill will be sent to the other place and will ultimately receive royal assent.

I listened with great pleasure the comments made by the Canadian heritage minister, because she pointed out that the tremendous work that has been done all along in the committee, which received so many reports and studies—over 170 briefs—and heard about 67 witnesses, work that was done with great care and determination to improve a bill that will serve the artists, the cultural industries and the users.

• (1530)

Very briefly, I think the colleagues in the heritage committee, both the government and the official opposition colleagues, quickly understood that we had the will and determination to work together to advance the best things possible for this bill.

In that regard, I must say that, as parliamentarians, we are of course members of Parliament elected to legislate; we are here to make laws. In the process of studying the copyright legislation, we all felt—and I think I speak for my colleagues—that we were playing our role as parliamentarians, that is making sure the bill put forward gets improved every step along the way in keeping with its ultimate goal, which in this case was to serve, as the Deputy Prime Minister and Minister of Canadian Heritage said, the interests of the artists, of the creators and of the cultural industries.

In that sense, I think we reached our objective. I urge all my colleagues in the House to support the bill on third reading because these objectives have been reached.

I would like to remind the House simply but clearly that this bill comes after an act that was passed in 1924 and was first amended in 1988. Now, in 1997, we have a third set of amendments, the so-called phase II.

Most artists and creators in visual or performing arts get an income from artistic activity that averages between \$7,000 and \$13,000 a year, depending on the type of activity. It is easy to understand that, for these people, it has been quite a long wait, from 1924 to 1988, before the society they live in and the Parliament of all elected representatives got around to listen to them.

This is a crucial stage, because in 1988, artists and creators were granted greater moral and economic rights. In 1988, an extremely pivotal development took place: collective societies were recognized. Authors and creators can now be represented by an organization that tries to better manage the royalties and levies authors, creators, and artists are entitled to, if they are to earn a living from their artistic activity.

Bill C-32 introduces major elements, including the neighbouring rights concept. The heritage minister just mentioned it a

moment ago. On behalf of our performers and the recording industry, we must at last join the 50 countries or so that have recognized neighbouring rights and signed the Rome Convention. This last phase of Bill C-32 will allow our performers to have their rights recognized in more than 50 countries. This is a major step forward.

In this bill, there is another recognition, another important gain in the area of private copying. Everyone recognized during the hearings, and we spoke together about this, that a lot of illegal copying, a lot of bootlegging of songs and music is done without the creators and singers necessarily getting their fair share.

With the private copying system, royalties will be paid directly to the manufacturer who, in turn, will redistribute them among creators, authors, composers and singers who, up until now, were deprived of their share because of this universally recognized practice that is the copying of cassettes.

• (1535)

This bill also has an interesting feature that gives us hope: it will be reviewed in five years.

Everybody knows that this bill is not perfect. We worked on it, we improved it, but everybody admits that, in certain respects, it is already out of date. One reason for this is that it does not refer to modern technologies, to all those communication means which are being developed and on which artists still have no control in defending their rights.

I ask the government to see to it that phase III can get under way as soon as possible and to request that the heritage committee complete its work before the bill is reviewed in five years, so we are well informed when the time comes.

I wish to recall that the question of copyright has been on the official opposition's agenda since we arrived in this House. My colleague, the heritage minister, will recall that, at the beginning of this 35th Parliament, my colleague for Rimouski—Témiscouata, who spoke before me, asked her a question about this. She asked the minister to table a copyright bill as soon as possible. I must say that, in this regard, the official opposition's mandate has been fulfilled.

I also remind the House that, in the interests of the artists, the official opposition asked the government to give consideration as quickly as possible to the new technologies and the new circumstances on the global market.

In fact, between 1988 and 1990, some changes were made to the act as a result of NAFTA and other international agreements. Not long ago, the heritage committee was asked to review our cultural policy in relation to those international agreements.

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The official opposition did its job and managed to convince the government to act in the best interests of artists, who had been waiting for these changes for a long time. They are still waiting for some changes reflecting the new international market conditions and the new technologies.

Today is an important day. I ask all my colleagues to vote for the bill at third reading.

In concluding, I would like to thank first, my colleagues on the heritage committee for their co-operation and their support. I also thank the staff and the advisers who followed the committee during its proceedings to help its members understand all the issues and do a good job in presenting to this House an improved bill meeting the ultimate objectives of the authors.

Finally, I want to express my appreciation for all the groups who submitted briefs or came before us to express their opinion and explain the issues as clearly as possible to help us do a good job.

I want to express my sincere thanks to all those people and I hope that the bill will be given royal assent before the elections are called.

[*English*]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to rise once again to speak to Bill C-32. However I must say right from the beginning I am extremely disappointed with the deal that has been made between the Bloc Québécois and the government to end debate on this issue. Many Canadians still are very concerned about so many aspects of Bill C-32 which simply do not fill the needs of interested parties, not the least of whom are Canadian broadcasters.

• (1540)

I will declare my sympathies off the top as I always do. As I always point out to my colleagues across the way, I come from a background in broadcasting and I think it is important that be known.

We are again seeing collusion between the Bloc Québécois and the Liberals to end debate on an issue that affects millions and millions of Canadians. People still had all kinds of questions they wanted addressed. Unfortunately the government ignored them just as it ignored the concerns of people on the HST legislation on which the government also moved closure. It is becoming quite a common feature of the government, more so than the previous Mulroney government. That is the first point I wanted to deal with.

Second, I will deal with the legislation specifically. Broadcasters have asked over and over and over again for a number of things. They have asked that the government move amendments to the legislation that would permit them to time shift, which simply means they would have the ability to record a program at one time

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and then play it back at a different time without having to seek the permission of people who were playing music on that particular broadcast, without having to go through all the hoops, without having to go through all the paperwork. It is a common sense request, but for reasons that escape me or anybody with a modicum of common sense the government has denied it.

Ms. Copps: It is in the bill.

Mr. Solberg: The minister is saying that it is in the bill, but it is not in the bill to the point where it is clear to the people involved that they will not suffer consequences if they do not jump through all those hoops. The minister knows that legal action has been taken in the past with respect to these sorts of issues. It leaves broadcasters wide open.

The government must remember—and this is where the government falls down—that it does not place adequate importance on ensuring that broadcasters and the electronic media, the vehicles for the promotion of Canadian heritage, are allowed to do the job they have done so well in the past of promoting the wonderful culture of this country.

Time shifting is one issue. I have spoken to many people at community cable channels. I have spoken to different groups that provide all kinds of great Canadian programming. They will feel a chill run through their organizations because the government has failed to adequately define how this would work. It has failed to make it clear that broadcasters could go ahead and do things like time shift without feeling some kind of repercussion.

Broadcasters have also raised the issue of transfer of format over and over again but it has fallen on deaf ears.

Ms. Copps: It is in the bill.

Mr. Arseneault: It is in the bill.

Mr. Solberg: Although they are talking about it being in the bill, it is not defined well enough.

For reasons that escape me the broadcasters have asked for some clarification, for some simplification so that everybody will be satisfied. Then there would be no problem.

Again the government has failed to listen. Therefore broadcasters will be put in a position where they may be paying twice simply because they are transferring a song from a CD on to an electronic format like a computer hard disk. They will have to pay twice simply because the government has not used common sense and has not listened closely enough to broadcasters who are therefore put in this awkward position. There is no good reason for it. We have had hearings over and over again.

Ms. Copps: It is in the bill.

Mr. Solberg: I say to the minister that we have had all kinds of hearings. The minister knows full well that broadcasters have insisted that what is in the bill is not adequate. Nor is it clear enough. Unfortunately broadcasters will have to jump through major hoops simply because the government has not been listening closely to what they are saying.

The minister and the parliamentary secretary across the way are concerned about the input of broadcasters. After all, they are the vehicle for the promotion of so much Canadian culture. Who could deny that they have done anything but a wonderful job? It escapes me why the government would not be listening a little closer.

• (1545)

I want to make a couple of comments on behalf of my former colleagues in the broadcast industry. Please forgive me for doing this, Mr. Speaker, but I simply must. Yesterday we had some wonderful artists here from around the country, people who represented Canadian culture in various sectors: painters, poets and writers involved in film. It is important to remember that Canadian radio and television broadcasters should be standing beside those people, the vehicles for the promotion of culture.

Over the last several years broadcasters have taken many hits at the hands of the former Conservative government and even at the hands of this government. Taxes continue to climb. All kinds of radio and television stations are in great financial difficulty. They have been struggling to make a go of it. When those various outlets disappear they are not there to promote Canadian culture.

The government is proposing legislation that will make it extremely difficult for marginal stations to make a go of it. It will make it extremely difficult for those in very tight competitive situations to make a go of it. Therefore it is killing the goose that laid the golden egg. The government is making it extremely difficult for broadcasters who have done a wonderful job of promoting culture over the years to continue doing that.

Broadcasters have tried to work very closely with the minister and her department. They have made extraordinary efforts to come to the committee to explain their position. They have been at the beck and call of the department. They are more than willing to come and have a dialogue with the minister and her departmental officials at any time. Even Liberal members across the way have worked closely with broadcasters to try to get their point of view.

Unfortunately on these common sense issues the government has not listened. Many bureaucrats in the Department of Heritage who think they know better than broadcasters what their business is. On this particular issue they simply do not. Broadcasters have made it clear over and over again that this will impede their ability to do their job which ultimately, after making a profit and all those sorts of things, is to promote Canadian culture in many different ways.

If I have not said it forcefully enough, I am extremely disappointed. Canadian broadcasters will be extremely disappointed. The people who listen to radio stations and who watch television stations will also be disappointed that the legislation is being forced through.

The government has joined forces with the Bloc Quebecois after a lot of debate has gone on in this place. We have reached a point where we could make some changes and the government has gone ahead and said it will ignore those common sense solutions. It will bull ahead and put forward solutions which simply are not adequate.

I do not know if there is much more I could say on the issue other than that I know I speak for broadcasters across the country when I say they will be extremely disappointed.

An hon. member: What about the artists?

Mr. Solberg: I am sure they will be disappointed when broadcasters simply cannot provide the type of service to them because of the legislation that I know they would love to do.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

The Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it. I declare the motion carried.

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

THE ROYAL ASSENT

• (1550)

[English]

The Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

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Government House
Ottawa

March 20, 1997

Mr. Speaker:

I have the honour to inform you that the Right Honourable Antonio Lamer, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 20th day of March, 1997 at 6.15 p.m., for the purpose of giving royal assent to certain bills.

Yours sincerely,

Judith A. LaRocque
Secretary to the Governor General

GOVERNMENT ORDERS

[English]

BANKRUPTCY AND INSOLVENCY ACT

Hon. Sheila Copps (for the Minister of Industry, Minister for the Atlantic Canada Opportunities Agency, Minister of Western Economic Diversification and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved the second reading of, and concurrence in, amendments made by the Senate to Bill C-5, an act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act.

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, last October the House completed third reading of Bill C-5, an act to amend the Bankruptcy and Insolvency Act. We worked hard on the legislation. It was given careful consideration in committee and the House debated several of the key features of this very complex bill.

The legislation is once again before us. I do not think anyone who had been working closely with the legislation would be surprised that it has come back from the other place with further technical amendments to fine tune the framework laws involving bankruptcy and insolvency. These are very complex issues, after all. They benefit from further detailed study. The Senate Standing Committee on Banking, Trade and Commerce has pointed to several areas in which Bill C-5 can be improved.

Before I outline what the amendments are, let me first remind the House of the issues involved and the rigorous process that has gone into producing the bill.

The legislation covers four broad areas: consumer issues, commercial issues, priorities and privileges, and amendments to the Companies' Creditors Arrangements Act, the CCAA. The bill was designed to ensure that when Canadian businesses or consumers need insolvency protection they have a framework law that helps

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them make the necessary decisions to get their lives or their businesses back on track again. It was designed to encourage rather than deter risk taking and entrepreneurship.

Bankruptcy laws like other framework laws provide certainty and fairness in the marketplace. In this case, it gives both lenders and borrowers the assurance that their transactions are backed by rules that treat all parties fairly and that allow for innovative solutions.

The legislation provides a framework where businesses in trouble can move away from liquidation and in favour of preserving businesses and jobs. It offers protection to board members so that they are encouraged not to leave the sinking ship. We want them to stay on to make the bold decisions to help reorganize the business.

• (1555)

Other elements of the legislation relate to the insolvency of farmers and fishermen. To avoid insolvency most farmers and fishermen will turn to other means of employment in the off season. This is a responsible action on their part. Bill C-5 protects farmers and fishermen from being petitioned into bankruptcy during the off season.

The legislation will let insolvent spouses submit a joint proposal for bankruptcy. This will help save time, cut costs and streamline the process. It makes spousal and child support payments provable priority claims.

Under the bill people who have committed sexual or physical assault will not be able to turn to bankruptcy as a way of avoiding damages awarded by the civil courts.

Bill C-5 also addresses consumer bankruptcy. It provides an opportunity for debtor consumers to be rehabilitated quickly and to act responsibly.

Many interests are covered in the legislation. Many Canadians count on our moving expeditiously to pass the amendments and give them the force of law. At stake are the companies that need breathing space to get their affairs in order and take advantage of emerging opportunities.

At stake are the jobs that rely upon a company's ability to carry on paying its debts. At stake are the interest rates and conditions of borrowing at institutions that must consider the risk of not getting their loans repaid.

In summary, the legislation deals with the moral and ethical climate of the marketplace. Canadians want to know that no one is slipping away from financial obligations by using bankruptcy as an easy way out. Canadians want assurance that the piper will be paid.

Let me take a moment to remind the House of the process that has brought us here. In 1992 the Bankruptcy and Insolvency Act, the BIA, was passed after considerable debate both in the House and in committee. This was something of a breakthrough for it was

the first time in 40 years that Parliament was able to agree on ways to update the bankruptcy legislation so that would be fair to everyone.

Part of the reason for the success in passing the new BIA in 1992 was the provision that some additional amendments would be reviewed and brought forward to the House again at a later date. To make this happen Industry Canada set up the bankruptcy and insolvency advisory committee. More than 100 private sector insolvency experts participated. They represented consumers, business, lenders, insolvency practitioners and governments. They reviewed the insolvency legislation, identified priority issues and formulated possible solutions to them.

More than 100 private sector insolvency experts participated in the process. With the benefit of their expertise Bill C-109 was introduced during the last session of Parliament in November 1995. It sought to fine tune the amendments made in 1992 and introduced new features involving commercial and consumer insolvency.

Hon. members will recall that the bill died on the Order Paper but was reintroduced as Bill C-5 shortly after the new session commenced. When the bill went to the Standing Committee on Industry, insolvency practitioners from various interests came forward to make further suggestions. By the time the legislation came back to the House for third reading some 70 technical amendments had been added to the bill.

I will give a few examples of the changes made in committee. Under the amendments it is now very clear that among all claims for environmental damage only crown claims will have priority. The scope of spousal claims was amended so that the claims covered had to be claims pursuant to orders or agreements made when the spouses were living separate and apart and before the bankruptcy proceedings began.

In committee the bill was amended so that the review period for both the BIA and the CCAA was decreased from seven to five years. None of these amendments changed the basics of the legislation. We dealt with these amendments at third reading and the bill was passed.

When the legislation went to the other place it was referred to the banking, trade and commerce committee. The senators had an opportunity to reconsider some of the presentations made earlier by the insolvency experts. They heard further opinions on some of the amendments that had been passed by the House.

• (1600)

As a result of those deliberations the legislation has come before us once again with additional technical amendments passed by the other place. These amendments do not change the original intent of the bill. Nor do they upset the balance that has been struck among the competing interests involved in insolvency. Rather they are technical amendments. They involve the fine tuning of framework laws where changing a word may be important for the interpretation of the law.

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In summary, these are the changes proposed by the other place. Section 2.1 of the BIA specifying when the date of bankruptcy occurs has been simplified. The other place has clarified when a consumer proposal administrator must notify creditors of impending default. The French and English versions of section 50(15) of the BIA have been harmonized. The provisions of the BIA and CCAA have been expanded to cover persons who manage a company when the directors have resigned or have been removed.

With the amendments it is now clear that the investments of a securities firm in its subsidiaries go into the consumer pool fund under part XII. The amendments enable companies or affiliated groups of companies with debts of at least \$5 million to use the CCAA. They require a company seeking a CCAA stay order to show that it is acting in good faith and with due diligence. The amendments provide a due diligence defence for monitors of CCAA petitions when they prepare their reports on the finances of debtor companies.

These amendments demonstrate the effectiveness of the parliamentary system. The system is working. From the outset we have sought to pass a balanced piece of legislation, one that is fair to all parties and one which will provide a solid foundation for bankruptcy and insolvency framework law for years to come. The other place has helped us to meet those objectives with their technical amendments.

The fundamental principles and structure of the bill remain intact. Canadian bankruptcy law will continue to provide a framework where it is preferable for consumers or businesses to reorganize their affairs rather than declare bankruptcy.

The bill continues to emphasize the importance of measures to promote consumer rehabilitation. It continues to create an environment where consumers can act as responsible citizens. Above all, the legislation continues to promote fairness for both creditors and debtors.

It is time for us to pass the legislation, as amended, so that Canadians can begin to benefit from its provisions. I hope all members will join me in supporting it.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my colleague across the way is going to be disappointed. He is asking all members of the House to support the final version of Bill C-5, but I have to tell him not to count on our support.

We have before us technical amendments from the other place, which aim at clarifying the meaning of some legal words—which is very important—and at making the translation match the original, something which had been overlooked at the first two readings of the bill.

I am very disappointed to see that one of the proposals and main arguments of the Bloc Québécois on this matter—and we have nothing against adjustments being made to the Bankruptcy and Insolvency Act—is that part of this bill directly targets students and makes them alleged abusers. I will explain why.

In Clause 178, two more categories of debt from which a bankrupt cannot be discharged following a discharge order are added. Of course, these two categories are referred to in Section 105(2)—where it is added, in paragraph *g*) that any debt or obligation in respect of a loan made under the Canada Student Loans Act, the Canada Student Financial Assistance Act or any enactment of a province that provides for loans or guarantees of loans to students cannot be discharged where the date of bankruptcy occurs before the bankrupt ceases to be a student or within two years after he ceases to be a student.

• (1605)

That means the law is given a lot more teeth, but we must be aware that adjustments were made to the Bankruptcy Act in 1992. At that time, the government had chosen to change the law so that government loans would no longer be considered senior debt obligations, and would be treated like any other loan. Why are we now making an exception in the case of students? Why not make exceptions for other kinds of debts where a lot of money is lost due to bankruptcies?

The focus is specifically on students, which leads us to conclude that the government is assuming that students act in bad faith.

Let us talk also of the sums at stake. About \$60 million are lost to students' bankruptcies. Surely the government cannot assume that all the students responsible for these \$60 million losses acted in bad faith. On close analysis, it is a rather small percentage. Of course, there may be cases of bad faith here and there. That can happen. To recover a few million dollars, however, the government is singling out students.

How is it possible, when the government is losing money with some obscure loans, equity loans, that are made through various regional development agencies and whose terms are never really made public? Members will also recall government financial assistance to big business. In the automotive industry, I can think of one case where the government lost huge sums of money. I remember another case where, after some rather dubious interpretation of the law—the government had received contradictory legal opinions—the revenue department sided with two families that had transferred \$2 billion worth of assets to the United States to avoid paying capital gains tax. They got back a few hundred millions out of these two transactions.

The government overlooks such cases, but when it comes to students, it is going to pass legislation with real teeth, which will put incredible pressure on them. It did not try to look at the issue

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the other way around. Why is it that so many students are going bankrupt? There might be consequences.

For the last few years, we have witnessed the restructuring of tuition fees, and an increase in what students have to pay. Their share is a lot bigger than in the past; they borrow more; the proportion between loans and grants has now been reversed; the number of loans is higher; it now costs more to study because students must pay much higher tuition fees since the ban on their increase has been lifted. I am thinking about Quebec where fees are now comparable to what they are in other provinces.

Studying does cost more nowadays, especially as students must have their own computer. Therefore, there are specific loans available to them to buy the computer equipment they need to complete their studies.

When they graduate, often they cannot find a job, and when they do, more often than not it is not very stable work and unfortunately many go bankrupt. One should not think that going bankrupt is of no consequence. It haunts you. You are labelled as someone who has gone bankrupt. Try to go to a financial institution to borrow money a few years down the line. Try to go around with a credit record of this kind later on; it does not make your life easy.

As far as I am concerned, I find it difficult to believe that students are systematically going to use provisions in the Bankruptcy Act to avoid paying their student loans and beat the system, because they know that they will have to pay the consequences for the rest of their lives. Furthermore, you can be sure that financial institutions will make them pay the price. They will certainly put a note on their credit record and keep it there for a long time and students will have a hard time erasing it.

The government, probably under pressure from the same financial institutions, based on the conclusions of a task force which was created but did not agree on the issue, now says: "Finally, we will strengthen the controls for the students so that they cannot declare bankruptcy while they are studying and for two years afterwards".

It is difficult for us to support such a bill, in spite of all its other positive aspects, and even with the technical adjustments our brave colleagues from the other House made in order to improve it.

• (1610)

How is it that these wise members of our society were not concerned by the students' status or situation?

I also want to stress the fact that the Bloc Québécois did make a declaration on this issue during its convention, this past weekend. The party had asked its parliamentarians and its convention to fight against provisions such as these. We did so in the past, we are

doing it now and we will continue to do so. I repeat that five years ago, in 1992, the law was amended so that government claims would no longer be considered as senior debt obligations. Now we are reversing that decision and aiming directly at students.

I already mentioned that clause 178 adds two other categories of undischargable debts. I will mention some of the six categories of people targeted by that section to show whom we are comparing students with. There are those guilty of fraud or condemned to a fine, those who failed to pay support or alimony, those who obtained property under false pretences, and so on and so on. Now, we will have a new category. Added to this list of offenders, we will now have students.

We would have liked it if, along the way, the government had realized its mistake, had realized how low it was stooping just to get some money. As I said earlier, it cannot expect to recover \$60 million, because it is impossible that all student bankruptcies are fraudulent, as the government seems to imply.

A government anxious to recover a few hundred thousand dollars or a few million dollars should have, if such was the goal, done the same with the money given out through regional development agencies. These very often give money based on political criteria, and repayment is often doubtful. Studies are presently being conducted on this very subject, and the auditor general already dealt with these government agencies, often highly politicized, which do not have a very high degree of effectiveness.

Why did we not look at these if the goal was to recover money? Why did we not look at all the loans given by the Department of Industry, the terms of which are rarely made public, described as "equity loans" and very often changed into government contributions which never get repaid.

On the other hand, something that is a little, and even quite outrageous, is that, since it came into office, the government opposite has systematically made cuts in transfers to the provinces. We have to understand what the purpose of those transfers was. That program, now called the Canada social transfer, used to be divided into three programs.

There were transfers to the provinces for health, welfare and post-secondary education. The government has systematically reduced its cash transfers to the provinces. Because they were cash transfers, it has reduced them substantially. Since post-secondary education and education were among these programs, the Quebec government and other provincial governments now receive less money. They must make budget cuts to grants to institutions which, in turn, have no choice but to make a number of cuts, and also increase tuition fees and students' contributions to their own studies.

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On one hand, the government cracks down harder on them and, on the other hand, it now treats them like cheaters. It is surprised that several of them now go bankrupt because their student loan debts are much higher than there were a few years ago, combined with a job market that gives them very few opportunities at this time, because of various factors, particularly an economic situation that is far from being good. Even when they do get into the labour force, many have a precarious status. In almost every area, employers make sure that these young people do not get a full time job, because it is less costly to give them contracts, resulting in all this financial uncertainty for young people in the labour force.

• (1615)

We wonder why young people are not goods consumers, why people are not buying more, why the birth rates are lower. We ask ourselves all kinds of questions. But given the financial insecurity caused by job insecurity among young people, it is no wonder.

This government desperately lacks imagination. The best it could think of was some temporary measures, some goodies included in its budget in an attempt to deflect attention from the permanent cuts that were made. They included a few stopgap measures in terms of tax credits for students and all that, but who are they kidding. Everyone can see through their game and see the connection between these temporary programs and the fact that we are in the fourth year of the Liberal mandate.

They even make it clear from the outset that these measures will only be temporary, while the cuts will be permanent. People can see for themselves, and the Liberals should not delude themselves into thinking that they can pull the wool over the eyes of the people in the next election campaign. We will be there to remind them.

For all these reasons, we will be unable to support Bill C-5. And the changes proposed by the senators are certainly not the kind that would win us over. One of the major flaws of Bill C-5, with regard to student bankruptcy, has still not been addressed.

I hope they will see the error of their ways and reconsider, but for the time being, in spite of the wishes expressed by the previous speaker, they cannot count on our support. On the contrary, they can count on us to bring this up again in the weeks to come, when we will certainly be on the campaign trail.

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, we certainly seem to be proceeding at an alarming speed this afternoon after the last couple of days when legislation seemed to be moving down the pipeline rather slowly. I think this is the third piece of legislation that is being disposed of this afternoon, if not the fourth.

I understand the government is not letting the dust accumulate on the approval by the House of the HST. I thought I heard we are being called to the other place this afternoon because Royal Assent is going to be granted to some bills. I presume the HST will be one of them, considering the fact that April 1 is the implementation date for the HST. I believe I am correct in saying it is April 1. I am sure the government is quite relieved to see the end of debate on that matter. It has been able to put the lid on it quite successfully if I may say so.

We have seen a couple of other pieces of legislation go through and now we are on the Bankruptcy Act. In question period today I made reference to the fact that bankruptcies are at a record high in Canada this year, courtesy of this government of course.

Obviously the government controls the economy and the government manages or mismanages the economy, whichever way we would like to put it. As a result of the lack of jobs, the incomes of Canadians are being eroded and eliminated in many cases. The Minister of Human Resources Development is cutting back on unemployment insurance payments. Some provinces are cutting back on welfare.

Some provinces depend on video lottery terminals for their revenue. They appear to have become addicted to the revenue just as the gamblers become addicted to the machines. A young lady in my riding worked for a bankruptcy trustee. She told me not long ago that today the number one reason for people going bankrupt is the VLTs, the video lottery terminals. These terminals are destroying families. They are destroying people's ability to earn incomes. They have lost everything and when they have lost that, they have also lost the capacity to work on a regular basis and that destroys families. It is devastating.

• (1620)

What is this government doing about it? We know it is bringing out a policy to address what it calls child poverty. Child poverty is caused by families in poverty and this government continues to tax, tax, tax families in poverty so that it can stand up here and tell us how great it is in bringing down the deficit. This is a tragedy.

A single person who makes \$6,500 or more pays tax. How can anybody who is earning \$6,500 even look after themselves without starting to make a contribution to the government? It is impossible in this day and age yet that is what is happening. The government says: "Okay, you make \$6,500, you start paying money into the general revenue fund of the government", so it can turn around and devise some program to put the money back into the system to help people and children in poverty.

That is part of the problem in Canada and the fact that we have this great tragedy of high unemployment. If we were to leave the money with the people, they would be better off. We would require less government. People would be spending more money which

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would create more jobs and we would have less people unemployed. Less people unemployed means more people are paying taxes and less people are consuming taxes. The spiral effect goes on and on and on. The beneficial effects go on and on.

That is why we have argued so long in this House at least for a recognition by this government that the time is at hand where we can look forward to some tax relief. The budget is going to be balanced in two years. The Reform Party has put forth a plan to balance the budget in two years. I was on a local television show with one of the parliamentary secretaries who had said that under the Liberal plan the budget will be balanced in two years. There we have it. It is now confirmed.

The Reform Party has said that we must have some light at the end of the tunnel. We must tell people that there is an opportunity of lower taxes. That is what the Reform Party would like to provide. Unfortunately, the message I am starting to hear from that side of the House is that a balanced budget means now there is an opportunity to spend more money. That is the last thing Canadians want to hear.

In his budget the Minister of Finance said that he has exceeded his deficit reduction targets. We will not get into how because there were some debatable accounting methods to do that. Nevertheless, he is ahead of his deficit reduction targets but he is still a long way from a balanced budget.

The minister had the audacity to say that he is going to take 25 per cent of this extra money that he calls it and is going to devise new programs to spend it. He has thrown a few dollars in the direction of health care. When one stops to consider how much he has cut out of health care, \$5 billion to \$7 billion in the last three years, I am sure it is to save face and his reputation that he has thrown a little bit of money in that direction.

Nonetheless, the minister has now made this policy direction that 25 per cent of all extra money is going to be spent so that it will take longer to get a balanced budget. There is no doubt in my mind that when he does achieve this balanced budget he is not going to commit 25 per cent to new spending, he is going to commit 100 per cent to new spending. Therein lies the fact that Canadians can have no hope of lower taxes from the Liberal government.

• (1625)

The other day that other minuscule party released its platform. It talked about tax relief but it could not figure out its numbers either. In typical Mulroney fashion, the Tories are going to give some tax relief to the lower income families and they are going to give big relief to the high income families and the poor middle income families are going to get squeezed again.

Why do I say that? Quite simply, when he released the platform the other day, the leader of that party said that they are going to increase the basic exemption for individuals, which of course he copied from us, but that is not only the point. He is going to drop the tax rate for the low income bracket by 2 per cent and of course they get the benefit of the higher exemption. He is going to drop the rate for the middle class by 2 per cent and he is going to drop the rate for the highest class by 4 per cent.

As I said, it is typical Mulroney type politics: grab the middle class who have a little bit of money to pay, say that it is alleviating the problems of the poor and let the super rich off the hook. That is the type of policies Canadians do not want to hear either because that is patently unfair.

That is why we have record high bankruptcies. About 100,000 people are going to see their lives in tatters by the end of this year because they have gone bankrupt.

Bill C-5 is one of those things to tighten the screws on some people, but not everybody though. Somebody gets off the hook. Of course that is the Government of Canada.

When someone goes bankrupt and they have debts that they cannot pay, the Bankruptcy Act wipes these debts off and gives the person with the debt problem a fresh, clean start. A fresh start. We have heard that term from the Reform Party before and we see it cropping up in other areas. A fresh start indeed.

There is one small exception: student loans. If the person has student loans, they do not get wiped away. The government says it cannot afford to do without getting those repaid. But every other private lender, banker, accounts payable, MasterCard, Visa, you name it, have lost their money because this government legislates these things out of existence. The debtor gets off the hook. He gets a fresh start, a clean slate, but student loans remain. Of course the person has an investment in education and the student loans have provided that investment in education. Let us look at that type of education.

We heard the minister of immigration tell us in the last few days about how we have exceeded the targets on immigration for highly skilled people coming into this country. Why? The minister says it is because there is a shortage of highly skilled people in this country. Why? Because we only give student loans for one year in this technical field and sometimes it takes three and four years to train people. They do not get the benefit of student loans to finish their education to make sure they are properly trained. Then we turn around and bring people in from abroad and deny Canadians jobs. We deny them the high tech jobs which are the high paying jobs, which are the high tax paying jobs and the jobs that would allow them to enjoy a quality of life with a family.

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We do not give them the tools. We leave them high and dry with half an education. We leave them high and dry and they end up going bankrupt. That is why the student loans do half the job and bankruptcy sometimes is the end of the road for these young people rather than a brand new career.

About two weeks ago Statistics Canada released its latest statistics. Young people are giving up on having a career rather than getting their foot on the ladder and saying: "The future is bright. I have my whole life ahead of me. I now have my education. Everything is onward and upward". After two and three years of fighting to get a job, after two and three years of having doors slammed in their faces because they do not have the experience or they do not have the education or they do not have both, they do not get their feet on the ladder and they ask, what is the point? They are destined to a life of poverty. They are destined to a life of being on and off welfare and unemployment insurance because we do not train our young folk. It is a shameful situation.

• (1630)

Mr. Szabo: Mr. Speaker, I rise on a point of order. I note that the member has mentioned it is a shameful situation. I thought the House might like to know that a great Canadian, Elvis Stojko, has landed the quad-triple and won the gold medal in the World Figure Skating Championships.

The Acting Speaker (Mr. Milliken): I am sure that is welcome news, but I am also sure the hon. member would agree with me that it is not a point of order.

Mr. Williams: Mr. Speaker, I am sure we in the Reform Party would like to add our congratulations to Mr. Stojko on winning the gold medal. I am glad he will not have to pay tax on the gold. However I am sure, if any money comes along with it, that the federal government will want to share in his success. Unfortunately that is the other side of the coin. It is always a good news and bad news situation, but we do congratulate him. I am glad the member interrupted my speech to bring that to our attention.

Bill C-5 has been around for a long time. It has been to the other place and has been returned with amendments. There are pages of amendments. We wonder why we have to rely on the other place to do the work of the government. We have an untold number of public servants who write legislation. They bring it to the House in essence as a final stage for what in many cases is just a rubber stamp approval. The government does not allow an open debate. It invokes closure and time allocation. That is it and the deed is done.

Sometimes the government allows us to speak for a limited amount of time. We did in this case and then we sent the bill to the other place. The senators took a look at it and found pages of mistakes. They sent it back to the House so that we could deliberate once more.

The government could have done its homework when it heard the committee references. It could have made the necessary changes and we would not have had to rely on the other place. That also applies to the previous bill which presumably will receive royal assent this evening. The government has had to capitulate and agree with the changes made by the other place to have the legislation in place before April 1.

Bill C-5 is a huge technical bill that addresses the tragedy of Canadians. I hoped the government would bring in legislation that provided hope, inspiration and a future for Canadians rather than a bill that addresses tragedy.

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, the comments of the hon. member were most interesting. He has related the bill to everything but space travel. I am sure if I gave him a few minutes he would relate it to space travel as well and bring the Canadarm into the discussion and tell us how it relates to Bill C-5, the bankruptcy and insolvency legislation.

He made some interesting comments related to student loans. I find it most interesting that the Reform member would be damning the government on changes to the bankruptcy provisions as they relate to student loans, especially since the matter went through committee. It was not just for a matter of minutes. The committee hearings continued for days and days as we heard from many witnesses.

Lo and behold the hon. member supported the provisions of the bill dealing with student loans that were supported by his colleague. Today he stands and is opposed to the provisions on students.

• (1635)

With respect to student loans, between 1990 and 1995 the losses to the Canadian taxpayer due to student loan bankruptcies increased from \$20 million to over \$60 million. The data show that 65 per cent to 70 per cent of all student loan related bankruptcies occurred within the first two years of leaving school.

The interesting part is that during these first two years when students leave a learning institution—and I see the pages are quite interested in this—there is not much pressure on them to pay any loans. If they are not financially in a position to pay they can get extensions for up to two years and not have to make payments. During this period when there is no pressure on students to make payments, 65 per cent to 70 per cent of the bankruptcies occur.

The object of the legislation and the amendment is to prevent students from going through bankruptcy and wiping out their debts just after they get an education and just before they take employ-

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ment. It is a matter that was supported by the hon. gentleman's colleague in committee.

In the 24-month grace period that students have after finishing school they do not have to make payments. It would seem rather strange that students would be going through bankruptcy during this time when there is no pressure on them to go bankrupt.

It should be noted as well that Bill C-5 does not prevent students from going bankrupt when they leave school at all. They can go bankrupt as much as they want during that two-year period. The only difference under Bill C-5 is that student loan debts are not dischargeable when the bankruptcy occurs within that two-year period after leaving school. They cannot be discharged on the student loan. They can be discharged on everything else. They can be discharged on credit cards if credit card companies gave them credit cards. Lo and behold many of them do.

I recall back in the olden days, as my children would tell me, when I was going to university. I was getting credit cards sent to me without applying for them and with no job. Maybe there is reason students can go bankrupt and declare them.

Student loans are applied for. They are for an education. They are for developing an asset which results in a degree, a certificate or diploma being obtained by students from an institution of higher learning. And what do they do? They go bankrupt within the first two years.

After the two years it is a different story. At that point students who have not found employment are deep in debt and can go through bankruptcy. It does not help their credit rating but it certainly is something they can do.

Bill C-5 encourages students to seek some temporary relief under the student loan program and to utilize the 24-month grace provision of relief from repayment which will be increased to 36 months of relief under the measures announced recently in the budget.

The students are under less pressure because of the good graces of the Minister of Finance in the way he handled matters in helping students. Again it is to help students get on their feet, not to get away from obligations they are legally obliged to pay because of a commitment on their part.

In a bankruptcy one declares assets. They become part of the bankrupt's estate. However students cannot declare a degree. They take it with them after the bankruptcy. They have a degree. They have an education but they want to wipe out the debts in some cases. There are legitimate cases of bankruptcy. That is why it is such a short period. If they cannot find employment then they obviously will be able to declare bankruptcy.

• (1640)

Does the hon. member condone students tending to their education, not commencing payments immediately upon obtaining their degree, leaving a learning institution, not paying their debts, going through bankruptcy and then taking a job? Does he condone such behaviour?

Mr. Williams: Mr. Speaker, I enjoyed the member's comments. Even if I did wander over many subjects I did not raise the subject of ice skating. That was a point of order by another member.

I heard what the member for Saskatoon—Dundurn had to say. But I will tell him about a college in the United States that publishes a newsletter. He may be aware of it. It is called *Imprimis*. It is a little liberal arts college in the state of Michigan which does not accept students with U.S. federal government student loans. It is a long story and I will not go into explaining why. It is a matter of principle.

The member seems to want to know so I will tell him. It goes back to the late sixties. At that time there was great social upheaval in the United States regarding discrimination. The department of health, education and welfare said that it was time to stamp out discrimination. Like our Liberal government it said that it would count everybody according to categories. Then it would ensure everybody filled out all forms to ensure everybody was meeting the criteria and the categories were filled. It had so many coloured, so many cripples, so many this and so many that. They were all there.

This was the first college in the United States that more than a 100 years ago graduated a coloured person, the very first coloured person to graduate in the United States. It was also the university that granted the very first degree to a woman in the United States. It said that merit was the only thing that applies to it. It was colour blind and everything else blind, but if students did not want to work hard they should not bother showing up.

The department of health, education and welfare the college to fill out the forms showing how many people according to all the categories it had. The college said it would not do that because it went on merit and did not care about background.

The case wound its way through the courts all the way to the Supreme Court of United States which said that the college had to fill out the forms because it was in receipt of federal funds.

The college indicated that it would not accept any more grants from the federal government. Then the court said the college was in receipt of federal funds because student loans were given to students to pay their tuition fees. The college argued that it was in receipt of the money as were the local apartment owner who rents apartments to students and the local corner store that sells groceries to them.

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The college has absolutely no defaults on its student loans. It provides a first class education and its students have no problems finding jobs. Unemployment is half the rate down there as it is here.

To answer the member's question, there is no doubt in my mind that students would far rather have jobs than declare bankruptcy. Their credit rating and ability to get a mortgage will be seriously affected if they go bankrupt. Their ability to buy cars when they have jobs is affected because they went bankrupt. Therefore I totally reject the member's argument that people have a choice. The point is they cannot find jobs.

• (1645)

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, it is a pleasure and an honour to speak to Bill C-5, an act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act and the Income Tax Act.

This bill, along with other bills introduced in the House, targets and supports the concerns that Canadians have articulated to members right across the country.

After listening to the hon. member across the way, the Reform Party continues to focus on what is wrong with this bill and often what is wrong with this country. I find that instead of continuing on that focus, instead of continuing to focus on the negative, constituents have often said to me it makes much more sense that we focus on building the country and helping Canadians with their future.

The health of the Canadian marketplace depends on maintaining a balance between competing interests. Framework laws establish the rules of the marketplace in which buyers and sellers as well as lenders and borrowers can make their transactions with the confidence that the law will treat them fairly. That is fundamental and something this bill addresses very clearly.

The bankruptcy laws must protect the interests of borrowers, lenders, insolvency practitioners and Canadian workers whose jobs may depend on effective reorganization of businesses. These interests of the parties are so varied and complex that over the decades bankruptcy laws have proved very difficult to reform.

In developing the bill, which was introduced in November 1995 as Bill C-109 and later reintroduced as Bill C-5, the government benefited from the input of the bankruptcy and insolvency advisory committee. The committee included representatives of consumers, businesses, lenders, insolvency practitioners and governments. More than 100 private sector insolvency experts participated in the process.

When the party across the way puts forward its arguments that this bill is essentially flawed I point to the process that this bill has gone through. I point to the process that allowed consumers, representatives of consumers, business, lenders, insolvency practi-

tioners and governments to come forward and provide the necessary technical information that allowed this bill to go forward with the recommended changes.

Bill C-5 is certainly a large and very complicated bill that makes changes to a complex area of law. As one would expect, many suggestions for improvements of a technical nature were made by the insolvency law stakeholders after the original bill. The government and the House committee considered these suggestions carefully and based them on about 70 amendments which were incorporated in the bill before its passage in the House in October 1996.

Among these amendments were measures to clarify that only crown claims for the costs of repairing environmental damage are covered by priorities established in both the BIA and the CCAA. The amendments also provided how these priorities may be exercised.

There are also clarifications that the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act provisions, which allow for the compromise of claims against directors, will apply only to claims against directors arising before the start of the reorganization proceedings.

• (1650)

A further clarification was made concerning the scope of spousal claims. These were recognized and given priority only where spouses were living separate and apart when bankruptcy proceedings started.

With respect to the bankruptcies of securities firms, there was an addition of provisions specifying that contractual and secured creditor rights are not affected by part XII and a clarification of how value in eligible financial contracts is to be allocated between the general fund and the customer pool fund established under part XII, and further protections for an eligible financial contract counter party who has deposited securities with a bankrupt firm.

The bill is certainly a very complicated, technical bill and one that insolvency practitioners are very familiar with and in all cases is indispensable when consumers and companies are faced with the prospect of bankruptcy.

In addition to the amendments I mentioned, the bill has come back from the Senate following a review by the standing Senate committee on banking trade and commerce. The industry committee heard witnesses and testimony on this bill. The Senate committee on banking, trade and commerce also heard numerous witnesses representing different points of view. However, they all agreed on the broad principles Bill C-5 represents.

The principle is that the health of the Canadian marketplace certainly depends on maintaining the very important balance between competing interests.

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Here are a few of the technical amendments recommended by the Senate banking committee. The amendments do not change the original intent of the bill, nor do they upset the balance that has been struck among the competing interests involved in insolvency. They involve the fine tuning of framework laws where changing a word may be important for the interpretation of law.

Measures included: to simplify section 2.1 of the Bankruptcy and Insolvency Act, which specifies when the date of bankruptcy occurs; to clarify when a consumer proposal administrator must notify creditors of impending default; to harmonize the French and English versions of section 50(15) of the Bankruptcy and Insolvency Act.

The changes also extend the provision allowing the compromise of claims against directors to cover persons who manage a corporation when all directors have resigned or been removed.

The amendments also lower the threshold for access to the CCAA to \$5 million in debts from the \$10 million originally specified in Bill C-5 and allow consolidated applications by affiliated companies.

The amendments also require a company seeking a stay under the CCAA to show that it is acting in good faith and with due diligence. I think it is very important that when a company is seeking that stay it show it is acting in good faith and with due diligence because these are very difficult times that companies go through with respect to organization and it impacts consumers and suppliers. It is important that the act clearly specify and allow this type of thing to occur.

• (1655)

The changes also provide a good faith and due diligence defence for CCAA monitors in relation to their preparation of reports on the finances of debtor companies.

The changes make a number of clarifications. In particular, they clarify that under part XII of the act, a securities firm's investments in its subsidiary go into the customer pool fund.

These amendments made by the Senate further improve the bill. The government supports all these proposed amendments and believe that they deserve the support of the House.

The business community and all consumers are affected by the changes in this act. The changes are as a result of the hard work of the industry committee. The Parliamentary Secretary to the Minister of Industry spoke earlier on this bill. The kind of work the parliamentary secretary has been doing on this bill in committee is certainly very reflective of the end product that we have before us today.

Witnesses provided the technical input for these changes and these changes are reflective of the challenges faced by Canadians who are sometimes confronted with the prospect of bankruptcy.

As I sat in the House listening to the speaker before me, it often came to mind that perhaps the member thought that Canadians set bankruptcy as a goal. Canadians engage in enterprise and business to improve their situation, provide employment opportunities for other Canadians and, in some situations, whether it is a company or a consumer, they are faced with uncontrollable circumstances where bankruptcy is an alternative that must be considered.

This act lays out the framework and the balance to ensure that there is a balance between competing interests and that the framework laws establish the rules of the marketplace in which buyers, sellers, lenders and borrowers can make their transactions with the confidence that the law will treat them fairly.

The parliamentary process has in my opinion worked very effectively and in a manner that provided a particular change in this act that will benefit all those individuals who in some way are affected by Bill C-5.

The Acting Speaker (Mr. Milliken): It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Saskatoon—Clark's Crossing, child poverty.

* * *

[*Translation*]

EXCISE TAX ACT

The House resumed consideration of the motion on the amendment made by the Senate to Bill C-70, an act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related Acts, and of the amendment.

The Acting Speaker (Mr. Milliken): It being five o'clock, the House will now proceed to the taking of the deferred division on the amendment to the motion to concur in the Senate amendment to Bill C-70.

Call in the members.

• (1725)

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

(*Division No. 278*)

YEAS

Members

Cummins
Frazer
Jennings
Morrison
Solberg
White (North Vancouver)

Epp
Grubel
Mayfield
Schmidt
Speaker
Williams—12

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NAYS

Members

Adams	Alcock
Anawak	Anderson
Arseneault	Augustine
Axworthy (Saskatoon—Clark's Crossing)	Bakopanos
Barnes	Bélanger
Bélisle	Bellehumeur
Bergeron	Bernier (Mégantic—Compton—Stanstead)
Bertrand	Bethel
Bevilacqua	Bodnar
Bonin	Brien
Brown (Oakville—Milton)	Bryden
Campbell	Cannis
Catterall	Cauchon
Clancy	Collenette
Copps	Cowling
Culbert	Cullen
Dalphond-Guiral	Debien
DeVillers	Dhaliwal
Dion	Discepola
Dumas	Dupuy
English	Fewchuk
Finlay	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gerrard	Godfrey
Godin	Guarnieri
Harb	Harvard
Hickey	Hopkins
Hubbard	Iftody
Jackson	Karygiannis
Keyes	Kilger (Stormont—Dundas)
Kirkby	Knutson
Kraft Sloan	Langlois
Laurin	Lee
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Lincoln	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Maloney
Marchand	Marchi
Marleau	Martin (LaSalle—Émard)
McCormick	McLellan (Edmonton Northwest/Nord-Ouest)
McTeague	Minna
Mitchell	Murray
Nunez	O'Brien (London—Middlesex)
O'Reilly	Pagtakhan
Paré	Parrish
Patry	Payne
Peric	Peters
Peterson	Pettigrew
Pomerleau	Proud
Reed	Regan
Richardson	Rideout
Ringuette-Maltais	Robichaud
Robillard	Serré
Sheridan	St. Denis
Steckle	Szabo
Telegdi	Tremblay (Rimouski—Témiscouata)
Valeri	Walker
Wells	Whelan
Wood	Young
Zed—119	

PAIRED MEMBERS

Asselin	Axworthy (Winnipeg South Centre/Sud-Centre)
Brushett	Calder
Collins	Crête
Daviault	Dromisky
Dubé	Duceppe
Duhamel	Easter
Gagnon (Québec)	Gauthier

Goodale	Guay
Guimond	Landry
Lefebvre	McKinnon
Ménard	Mifflin
Murphy	Phinney
Picard (Drummond)	Pillitteri
Rocheleau	Sauvageau
Scott (Fredericton—York—Sunbury)	Stewart (Brant)
Tremblay (Lac-Saint-Jean)	Ur
Vanclief	Venne

The Acting Speaker (Mr. Milliken): I declare the amendment lost.

[*English*]

Mr. Volpe: Mr. Speaker, I know my absence during the vote left a gaping hole on the government side. Had I been here to fill it I would have most definitely voted with the government.

[*Translation*]

Mrs. Lalonde: Mr. Speaker, unfortunately I could not be here for the beginning of the vote. I would ask you to record me as having voted like my party.

Mr. Loubier: Mr. Speaker, I had the same problem. I arrived late, but I would like to be recorded as having voted with my party.

The Acting Speaker (Mr. Milliken): The next division is on the main motion.

Mr. Kilger: Mr. Speaker, now that we are all here, you will find there is unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberal members voting yea.

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

[*English*]

Mr. Frazer: Mr. Speaker, Reform Party members present will oppose this motion.

Mr. Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I too oppose this motion.

[*Translation*]

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

(*Division No. 279*)

YEAS

Members

Adams	Alcock
Anawak	Anderson
Arseneault	Augustine
Bakopanos	Barnes
Bélanger	Bertrand
Bethel	Bevilacqua
Bodnar	Bonin
Brown (Oakville—Milton)	Bryden
Campbell	Cannis
Catterall	Cauchon
Clancy	Collenette
Copps	Cowling
Culbert	Cullen
DeVillers	Dhaliwal
Dion	Discepola
Dupuy	English

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Fewchuk	Finlay
Fontana	Gaffney
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway	Gerrard
Godfrey	Guarnieri
Harb	Harvard
Hickey	Hopkins
Hubbard	Iftody
Jackson	Karygiannis
Keyes	Kilger (Stormont—Dundas)
Kirkby	Knutson
Kraft Sloan	Lee
Lincoln	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Maloney
Marchi	Marleau
Martin (LaSalle—Émard)	McCormick
McLellan (Edmonton Northwest/Nord-Ouest)	McTeague
Minna	Mitchell
Murray	O'Brien (London—Middlesex)
O'Reilly	Pagtakhan
Parrish	Patry
Payne	Peric
Peters	Peterson
Pettigrew	Proud
Reed	Regan
Richardson	Rideout
Ringuette-Maltais	Robichaud
Robillard	Serré
Sheridan	St. Denis
Steckle	Szabo
Telegdi	Valeri
Volpe	Walker
Wells	Whelan
Wood	Young
Zed—101	

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)	Bélisle
Bellehumeur	Bergeron
Bernier (Mégantic—Compton—Stanstead)	Brien
Cummins	Dalphond-Guiral
Debien	Dumas
Epp	Frazer
Godin	Grubel
Jennings	Lalonde
Langlois	Laurin
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Marchand
Mayfield	Morrison
Nunez	Paré
Pomerleau	Schmidt
Solberg	Speaker
Tremblay (Rimouski—Témiscouata)	White (North Vancouver)
Williams—33	

PAIRED MEMBERS

Asselin	Axworthy (Winnipeg South Centre/Sud-Centre)
Brushett	Calder
Collins	Crête
Daviault	Dromisky
Dubé	Duceppe
Duhamel	Easter
Gagnon (Québec)	Gauthier
Goodale	Guay
Guimond	Landry
Lefebvre	McKinnon
Ménard	Mifflin
Murphy	Phinney
Picard (Drummond)	Pillitteri
Rocheleau	Sauvageau
Scott (Fredericton—York—Sunbury)	Stewart (Brant)

Tremblay (Lac-Saint-Jean)	Ur
Vanclief	Venne

The Acting Speaker (Mr. Milliken): I declare the motion carried.

(Motion agreed to.)

* * *

[English]

AN ACT TO AMEND CERTAIN LAWS RELATING TO FINANCIAL INSTITUTIONS

The House resumed from March 17 consideration of the motion that Bill C-82, an act to amend certain laws relating to financial institutions, be read the second time and referred to a committee.

The Acting Speaker (Mr. Milliken): Pursuant to order made earlier this day the House will now proceed to the taking of the deferred recorded division at the second reading stage of Bill C-82, an act to amend certain laws relating to financial institutions.

Mr. Kilger: Mr. Speaker, I believe if you would find unanimous consent that members who voted on the previous motion be recorded as having voted on the motion now before the House, with Liberals members voting yea.

[Translation]

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

[English]

Mr. Frazer: Mr. Speaker, in order to move the bill to committee, Reform Party members present will support this motion.

Mr. Axworthy (Saskatoon—Clark's Crossing): I oppose this motion, Mr. Speaker.

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

(Division No. 280)

YEAS

Members

Adams	Alcock
Anawak	Anderson
Arseneault	Augustine
Bakopanos	Barnes
Bélanger	Bertrand
Bethel	Bevilacqua
Bodnar	Bonin
Brown (Oakville—Milton)	Bryden
Campbell	Canniss
Catterall	Cauchon
Clancy	Collenette
Copps	Cowling
Culbert	Cullen
Cummins	DeVillers
Dhaliwal	Dion
Discepolo	Dupuy
English	Epp
Fewchuk	Finlay
Fontana	Frazer
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gerrard	Godfrey
Grubel	Guarnieri

Harb
Hickey
Hubbard
Jackson
Karygiannis
Kilger (Stormont—Dundas)
Knutson
Lee
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marleau
Mayfield
McLellan (Edmonton Northwest/Nord-Ouest)
Minna
Morrison
O'Brien (London—Middlesex)
Pagtakhan
Patry
Peric
Peterson
Proud
Regan
Rideout
Robichaud
Schmidt
Sheridan
Speaker
Steckle
Telegdi
Volpe
Wells
White (North Vancouver)
Wood
Zed—113

Harvard
Hopkins
Iftody
Jennings
Keyes
Kirkby
Kraft Sloan
Lincoln
Malhi
Marchi
Martin (LaSalle—Émard)
McCormick
McTeague
Mitchell
Murray
O'Reilly
Parrish
Payne
Peters
Pettigrew
Reed
Richardson
Ringuette-Maltais
Robillard
Serré
Solberg
St. Denis
Szabo
Valeri
Walker
Whelan
Williams
Young

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)
Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Dalphond-Guiral
Dumas
Lalonde
Laurin
Leroux (Shefford)
Marchand
Paré
Tremblay (Rimouski—Témiscouata)—21

Bélisle
Bergeron
Brien
Debien
Godin
Langlois
Leroux (Richmond—Wolfe)
Loubier
Nunez
Pomerleau

PAIRED MEMBERS

Asselin
Brushett
Collins
Daviault
Dubé
Duhamel
Gagnon (Québec)
Goodale
Guimond
Lefebvre
Ménard
Murphy
Picard (Drummond)
Rocheleau
Scott (Fredericton—York—Sunbury)
Tremblay (Lac-Saint-Jean)
Vanclief

Axworthy (Winnipeg South Centre/Sud-Centre)
Calder
Crête
Dromisky
Duceppe
Easter
Gauthier
Guay
Landry
McKinnon
Mifflin
Phinney
Pillitteri
Sauvageau
Stewart (Brant)
Ur
Venne

Private Members' Business

(Motion agreed to, bill read the second time and referred to committee.)

The Acting Speaker (Mr. Milliken): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

STANDING ORDERS OF THE HOUSE

The House resumed from Tuesday, February 11 consideration of the motion and of the amendment.

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, I thank you for recognizing me to speak to Motion M-267, moved by the hon. member for Mission—Coquitlam.

Since this motion was declared votable, the Sub-committee on Private Members' Business submitted to the Standing Committee on Procedure and House Affairs a unanimous report in which the sub-committee recommended that when a private members' bill was referred to committee, the committee be required to report on its work within 60 sitting days.

So as to clarify debate and with the consent of my colleague, the member for Rimouski—Témiscouata, I would like to ask for the unanimous consent of the House so that the amendment moved by Mrs. Tremblay, the member for Rimouski—Témiscouata, and seconded by Mr. Paré, the member for Louis-Hébert, reading as follows: “, within six months from the date of the bill's reference to the committee,” be withdrawn and replaced by the following: “, within 60 sitting days from the date of the bill's reference to the committee,”.

In fact, I move:

That the amendment be amended by replacing the words “six months” with the following:

“60 sitting days”.

• (1735)

The Acting Speaker (Mr. Milliken): The amendment to the amendment by the hon. member for Bellechasse is in order.

[English]

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I thank my hon. colleague for his amendment to the amendment.

I had the opportunity to give some preliminary comments on this matter at first reading and I thought it was appropriate that I rise to share some additional views at second reading.

This matter is currently the subject of the subcommittee on procedure and House affairs. The subcommittee has given a

Private Members' Business

preliminary view of some important amendments as they relate to private members' matters and specifically to some of the issues as they relate to matters that have been referred to various committees. There is a very good piece of work that is currently before the procedure and house affairs committee.

While I understand the principle that is before the House as it relates to this bill and I certainly understand both the amendment and the amendment to the amendment, I still believe there is some very good work that is being done at the committee level and I do not want to prejudice that work.

I want to take issue with a couple of comments that were made by the member for Mission—Coquitlam, the member for Rimouski—Témiscouata and the member for North Vancouver. I want to make sure that my colleagues do not presume that my comments are to be characterized in some way as anti-democratic.

• (1740)

The principle of the bill of the hon. member for Mission—Coquitlam is to expedite matters and to create some mechanism for work to be referred back to the House. I recognize the difficulties with the present system, and I think the government has recognized some difficulties with the current system.

However, some of recent amendments that were made by the government House leadership, in particular by the government House leader, cannot go unnoticed. I believe government's have a responsibility to respond to changing environments. The government House leader has certainly responded, in particular as it relates to private members' bills, in a very positive way.

Mr. Speaker, I know of your previous chairmanship of the procedure and House affairs committee and I see other members in the House who have participated on that committee. I know they know the government has made some significant changes to private members' business.

Has it changed enough? The subcommittee currently studying this matter has given a very important piece of work to the committee and I expect that we will be able to come forward to the House very soon with some changes which I believe will go a long way to satisfying the principle behind the member's bill that we are debating today.

We are currently looking at the opportunity to replace private members' bills and motions and making them interchangeable, which was one of the suggestions of my hon. colleague from Bellechasse. Those are the kinds of suggestions for important changes that the government should consider in the context of changes or renovations that need to occur to the legislation. Even

the amendment to the amendment presented by my hon. colleague today on the 60 sitting days is not unreasonable.

I want to take issue with some of the views that were expressed that somehow my comments were being interpreted as anti-democratic. They should have been interpreted, and I would hope they would be recast, as openness on behalf of the government House leadership, looking forward to making important changes so that all members of the House can have an opportunity to bring forward important changes that are reflective of the modern, current changing Canadian democracy.

In the 12 months since this session opened, seven private members' bills have received royal assent. I do not think that can go unnoticed. I believe that in this Parliament the process, while it contains certain flaws, is dramatically different, dramatically better and more improved. That is part of what we as Liberals in our red book said we were going to do. We were going to increase the effectiveness of Parliament and increase the effectiveness of private members.

We all recognize that we came to this place to represent political parties. We have the political party system in this country—

Mr. White (North Vancouver): No.

Mr. Zed: I hear a no from the member for North Vancouver, but the reality is we do have political platforms and we have the party system which is the result of the British parliamentary traditions. The government has included private members' bills and private members' business as part of the changes that needed to occur. While it is not a perfect system, we have listened to calls for parliamentary reform.

I really want to compliment all members for the work they have done, in particular the members of the subcommittee and our own member for Mississauga South. It is very good work and I look forward to having the opportunity to present the report to the House for some changes that can begin a process which evolves, changes and is part of the democracy that we live in in Canada.

• (1745)

However, I do not think we can forget the past without looking to what has happened over the course of the last three years. That was all I tried to say. While I compliment the member for Mission—Coquitlam, I also want the member to recognize that things are not going to happen overnight. The principle of her bill has been recognized by her Reform colleague who sat on the subcommittee, by the member for Bellechasse and by the Liberal member for Mississauga West who chaired the committee.

In conclusion, I want to thank my hon. colleague for his subamendment. I also want to acknowledge the work that has been done and the valuable work that will continue to be done in the

Private Members' Business

procedure and House affairs committee. Before pronouncing on this hon. member's bill, we would want to look forward to receiving the recommendations from the procedure and House affairs committee.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to rise in support of Motion No. 267 by my colleague from Mission—Coquitlam.

By and large the motion would require that when a private member brings a bill or a motion to this House and the House refers it to committee for further study, that the bill not die in committee and that it be deemed to be brought back at a later date with or without amendments.

I think there is a fundamental principle in this motion that has been recognized by the hon. deputy House leader for the government in so far as the procedure and House affairs committee is looking at this issue as well. That gives the issue great importance as the British parliamentary system evolves to reflect modern practice.

When we look at what has happened, we must remember that this House is supreme. I do not think there is any doubt among the parliamentarians who sit here, parliamentarians who used to sit here and people in the country who elect us to be their representatives in this House that this House is supreme.

There should be no difference whatsoever between a bill brought to this House by a private member and a bill brought to this House by the government. We are all individual members of Parliament.

The government, because it has the weight of a majority, can filter private members' business before it comes to the floor of the House. Opposition members who have been fortunate enough to bring a bill to this House obviously have an issue that is serious enough and researched enough that it deserves the consideration of the House. Of course it receives first reading and then second reading in the House.

At that point in time, if this House deems the matter sufficiently important for further study by a committee, because the House cannot deal with every issue line by line, it refers the matter to committee for further study and to be reported back to the House. It is a fairly simple procedure. However, we have known that in the past some bills have been sent off to committee and we have yet to hear of their coming back. Where are they?

I think in particular about Bill C-232 regarding grandparents rights which was tabled in this House by the member for Mission—Coquitlam. That was the bill that would recognize the rights of grandparents in the event of a situation where a family splits up, a most unfortunate and tragic situation. They resort to the courts to find out how the time spent with the children is split, do the children go with the father or the mother, who has custody, who pays and who receives.

• (1750)

Unfortunately, it is no longer love but the courts that determine how those things are settled. While the courts do their best, the courts have never been required to recognize that in many cases grandparents have a very strong emotional attachment to their grandchildren. They want to step in and help the mother or father, help the family through that most difficult time and especially to help the children. Is there something wrong with that?

The government says let us have a war on child poverty. The government says it cares about children but it did not care enough about children to allow the grandparents to have some rights. What happened? The member for Mission—Coquitlam brought the bill to the House and it was sent off to committee, that was the last we heard of it. The House prorogued. There was a new speech from the throne. We started all over again and the member reintroduced the bill as Bill C-245. The House again dealt with the issue at second reading. The House passed the bill and sent it off to committee for further study. And where is it? We have heard nothing. We are still waiting.

That is why the member said enough is enough and brought forward this motion that when the House sees a private members' bill that has sufficient interest and is a serious enough matter to be referred to committee, the committee has an obligation to bring it back to the House. Why would anyone want to interfere with that right of the House? Why would anyone in committee want to interfere with the rights of grandparents which the House felt were sufficiently important that the bill should be sent to committee and brought back again? We are still waiting.

The government does not care. We have heard all kinds of words from the Minister of Finance, the Minister of HRD and the minister of you name it department and all the backbench MPs who say they feel for families. Well do they?

An hon. member: Yes.

Mr. Williams: Mr. Speaker, I do not think so because we have not heard back on Bills C-232 or C-245. They do not care about grandparents who are hurt to the core because their families have been torn apart. The grandparents want to love and care for those grandchildren. The grandparents are told: "Get out of here. We do not care how you feel. We do not care that you want to be involved and to nurture those young kids. You have no status. It is not important".

It is a tragedy that the government would say that these things are not important when its members stand here every day saying that we need a war on child poverty because they care about kids. They do not care about kids. They only seem to care when they think there are some votes at the end of the line.

Ms. Augustine: Rubbish.

Private Members' Business

Mr. Williams: Do you hear the comments around here, Mr. Speaker? Tomorrow is Friday. Let them tell the committee that it can report back to the House the day we come back after the Easter break so that the House can dispose of the bill.

I care about the rights of grandparents. I think grandparents should have rights in their families. Remember it is their sons and daughters and grandchildren in a situation where the family has unfortunately fallen apart for whatever reason. We are not assigning blame here, but we are saying that grandparents are as helpless as the babies because they are totally out of it and they would dearly love to help, to stand before the judge and ask that they look after these young kids. The judge has no right to even hear them. They have no rights. Is that not a tragedy?

• (1755)

Then the deputy House leader stands in this House and says that we cannot do these things in a rush. It has been a long time and there is obviously no rush by the government side to recognize that people are hurting out there.

The member for Mission—Coquitlam is doing her best to represent her constituents, grandparents and families across the country. She has been denied that and she has been frustrated in her attempts. That is why she has brought this motion forward. Here it is in front of us. We could dispose of this today but we hear members on the other side saying: "What is the rush? We are talking about this in committee. We will deal with it in our own sweet time".

I hope the committee's own sweet time is before we all recess for an election that should be called sometime within the next year and a half. Hopefully it would be dealt with before then. Surely as the grandparents look to us as parliamentarians to recognize that they are being shut out from trying to help their families, they would require and demand that this House deal with the issue. We have a wonderful opportunity to deal with this issue and we can deal with it now.

The motion has been amended, that the bill be referred to committee and the committee refer back within 60 sitting days. We referred Bill C-82, the financial institutions act, which is a very thick and complex bill, and others to committee and they will be back here within a few days. Sixty days is more than enough time.

I do hope that this House will take my comments under advisement and give this motion speedy passage.

[*Translation*]

Mr. Langlois: Mr. Speaker, a while ago, I rose to ask to substitute an amendment I wished to present for the one of my colleague for Rimouski—Témiscouata. The Chair deemed that this was an amendment to the amendment instead. I have not said a single word on the merits of the question, but I would ask the

consent of the House in order to be recognized during the third hour of debate on this motion.

The Acting Speaker (Mr. Milliken): Do we have the unanimous consent of the House for the hon. member to speak to this amendment to the amendment?

Some hon. members: Agreed.

The Acting Speaker (Mr. Milliken): Very well, it shall be done, but later.

[*English*]

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, I am pleased to rise today to speak on Motion No. 267 which stands in the name of the member for Mission—Coquitlam. The motion reads:

That the Standing Orders of the House be amended by adding the following:

"97.1 A standing, special or legislative committee to which a Private Member's public bill has been referred shall in every case either report the bill to the House with or without amendment or present to the House a report containing a recommendation not to proceed further with the bill and giving the reasons therefor".

Although this motion identifies an anomaly in the process for Private Members' Business, a lot has been accomplished by this government. That is not to say however that we cannot continue or should not continue to improve, but let me first begin by outlining the positive steps this government has taken to enhance Private Members' Business.

Governments have an obligation to provide an environment that responds to the changing expectations of society. This government was faced with a society that was disillusioned with this institution. We responded by providing private members with an environment for proposing change.

In the spirit of parliamentary reform and setting the proper environment for proposing change, our government broadened the powers of private members in influencing government policies and legislation.

In the first few weeks of this Parliament the standing orders were amended. Many of the changes made to the standing orders touched on Private Members' Business. For example, more private members' items are now declared votable. The right of private members to have their proposals debated for the full allotment of time was secured. Probably the most significant change made allows members to present a motion to instruct a committee to bring in a bill. As a result of these measures, a greater amount of Private Members' Business has been considered by this House.

• (1800)

The government has also taken a free vote approach to Private Members' Business, that is to say votes are not whipped. In my additional function as chief government whip I take great pride in

not becoming involved from that purview in Private Members' Business.

I believe the results are obvious. In the first two years of Parliament seven bills were granted royal assent. The same number received royal assent over an eight-year period in the previous two parliaments.

Of the seven bills passed by Parliament one received a royal recommendation: Bill C-216, an act to amend the Unemployment Insurance Act for jury service. Bill C-216 was the first private member's public bill since Confederation to receive government support for the expenditure of public funds. Another bill officially recognized our national winter and summer sports.

I am sure the sponsors of these seven bills would agree that they each represent a significant success. In addition to those bills 12 private members' motions have been adopted.

That is not all. In the 12 months since this session opened seven private members' public bills received royal assent. One has been passed by the House and is awaiting Senate disposition. Five additional private members' motions have been adopted.

At the commencement of this session the government included private members' bills in its reinstatement motion. Private members' public bills were reinstated to their place in committees when the first session was prorogued. Had we not done so, those private members' public bills would have fallen victim to the parliamentary process which dictates that Private Members' Business dies on the Order Paper at prorogation. Nine such bills were reinstated.

The government has listened to the calls for parliamentary reform. We have answered them. The subcommittee on Private Members' Business recently reported to the Standing Committee on Procedure and House Affairs on this very issue but studied the matter in a broader context. It is the broader context that one must carefully examine when proposing changes to the standing orders. For example, do we want to give Private Members' Business an advantage over government bills?

Unlike government bills, the motion we are debating would seem to require committees to report private members' public bills. This would provide private members' public bills with preferential treatment which government bills do not have.

We have accomplished much in reforming Private Members' Business. However I can understand why the hon. member for Mission—Coquitlam is attempting to resolve what appears to be an issue in some committees. The frustration that a private member must feel when his or her bill is not reported within an expected timeframe may seem overwhelming. It may appear that a private member is fighting against a system that is insurmountably bigger than he or she and that victory is impossible. Yet is it not ironic the

Private Members' Business

vehicle that allows us to debate Motion No. 267 is the one we are contemplating changing? I remind members again that much has been accomplished.

One must ask why some committees are taking so long to report back these bills. Is there truly an impasse between the sponsoring member and the committee members? Perhaps events have overtaken the member's bill. Perhaps the sponsoring member has not done everything to identify the bill as a priority for the committee's consideration. Is Motion No. 267 the best solution?

The latter part of the motion recommends:

—a report containing a recommendation not to proceed further with the bill and giving the reasons therefor—

Could such reports not have dissenting opinions? How often would such reports be tabled and impact on valuable House time, especially when other business namely other Private Members' Business could be considered? Do we not want committees to table definitive reports or do we want them, as this motion suggests, to table inclusive reports?

When a bill is referred to committee, whether a private member's public bill or a government bill, it is sent off with the expectation that amendments made to it will enhance the bill, change it for the better. It is sent off to committee with the understanding that concessions and negotiations may be required. This may take time. The same applies to ministers as applies to members. The bill thus receives a thorough review, more so for private member's public bills as they do not undergo the same scrutiny as government bills before introduction and first reading.

• (1805)

It is during this difficult period that members should or may need to consider amending their bills to enhance them. Some members may interpret this process as intrusive. Others welcome it in the spirit of democracy. Opportunities to work with committee members exist. It is what a private member does with those opportunities that dictate the end results.

Committees are traditionally independent from the House, free to establish their own timeframes for managing their workload, free to establish subcommittees when their workload is too diverse or heavy, free to thoroughly study an issue or bill and to report it in whichever manner it sees fit.

Amending the standing orders for one area of parliamentary business to impede some of these authorities may undermine the delicate relationship the House and committees have taken over time to establish. If changes were made to the standing orders those changes would need to be carefully reviewed to strike the best balance. The House has the authority to instruct committees to report items it has referred to it for study. Therefore Motion

Private Members' Business

No. 267 does not augment the power the House already has to instruct a committee to report.

In closing, I believe an issue has been identified by the member for Mission—Coquitlam that needs to be addressed. Motion No. 267 in principle has its merits. However is it the best answer? I invite members to speak openly on this topic. If in the end the motion is not adopted, whether in its present form or amended, I remind members that all is not lost. The opinions and views of the members that speak on Motion No. 267 will prove valuable to the Standing Committee on Procedure and House Affairs that has the report from the subcommittee on Private Members' Business before it for consideration.

Once again I thank the member for Mission—Coquitlam for bringing the subject matter to the House.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, as I listened to the member's speech I wondered whether he wrote it himself or it came from the spin doctors upstairs. With all due respect to the member, it is a bit of an insult to those of us who know how the system works to wax eloquent about all the wonderful ways these problems could be addressed under the present system.

The present system is designed to prevent private members' business from getting anywhere. The member used an example that the House already has the power to order the committee to report a bill back. Anybody who has ever watched the proceedings of this place knows that is an absolute sham. It would need the co-operation of the government side. It is ridiculous to suggest that the House has the power to order a committee to report a bill back. It makes me wonder whether the member wrote the speech himself or is just reading something someone else wrote.

In terms of how much has been accomplished with the reinstatement of bills that had been lost prior to prorogation, that was a very nice gesture. Those who had their bills reinstated—mine was among those—were very pleased that happened. That does not alter the fact that at the end of the line when a bill is debated the government still has the power to prevent it from ever becoming law.

We can bring in all these different reforms. The member can wax eloquent about the wonderful improvements that have been made, but in practical terms it means absolutely nothing.

I mentioned earlier in the day that a few weeks ago I was in New Zealand. I met with the deputy speaker, a member of Parliament whom I have known for some time. He was telling me about various reforms that relate directly to the motion before our House today. In New Zealand all private members' bills are votable. The committees are required to report all business back to the House within six months.

I realize a very good practical amendment has been made here to change that to 60 sitting days. However in New Zealand it does not only apply to private members' bills. It applies to all business of the House. That addresses something mentioned in the member's speech when he said the suggestion in the motion would give an unfair advantage to Private Members' Business.

• (1810)

That is ridiculous because the government has complete control over whether or not it brings something back to the House. The opposition really has no control over that at all.

Those are the points I picked up from the member's speech which really quite distressed me. It indicated that perhaps he is not very supportive of this change.

The subcommittee on Private Members' Business has a report it is supposed to be bringing forward. There are already draft copies of it floating around. Let us call a spade a spade. We all know what is in it already.

There is no reason the committee could not have reported back already. It knows the motion has been before the House for some time. There is absolutely no reason that report could not have been put forward already.

As the hon. Reform member who preceded me mentioned, the House is master of its own destiny. We do not have to wait for a committee to report something to make a decision. If there is general agreement that it is a good change we should be telling the committee that is what it should do rather than the other way around.

I am certainly disappointed to hear the member opposite talking in such negative tones about what could be good reform of the House.

I will admit that some private members' bills have actually become law. I think that happens in every Parliament. We have seen that the government has not freed its members totally to vote freely on the bills that come before the House. This is an issue related to the motion we are talking about today.

Private Members' Business could be brought in here and be fully votable. We could be trusted as responsible people to bring pieces of legislation to the House and as members of Parliament who would do what we think is right. It could be brought here for a vote and stand on its merit.

We had the example given earlier by my colleague of what was known as the grandparents' bill which received support from members of this place. It languished and died in committee.

My Bill C-333 was drawn up by a crown prosecutor in North Vancouver who recently ran for candidacy for the Liberal nomination in my riding. He lost it to a competitor but he is a well known Liberal supporter. He called me several months ago and said: "Listen, Ted, I work a lot with criminal immigration cases. It

Private Members' Business

would really be helpful if judges had the power to deport in lieu of sentence when there are serious sexual crimes or very violent crimes”.

I told him I thought that was a great idea. I put him in touch with the legal counsel at the House. Together they worked up a bill which fitted quite nicely into the Criminal Code. It was a real bill. It was developed by a crown counsel who knew exactly what was going on.

What happened? It got here and was not even made votable. It did not even get a chance to be voted on. Frankly I do not think I should debate it. It was up for debate this week on Monday. I put it back to the bottom of the precedence list again. I do not see why I should waste everybody's time and taxpayers' money running this place to debate a bill that we cannot even vote on. It is a perfectly legitimate piece of legislation.

The whole area of Private Members' Business is a total mess. It is a sham. The member who just spoke on the government side mentioned British traditions, but he should know as well as anyone else here that even in the mother of all Parliaments in Britain members freely vote on the opposite side on a regular basis. Plenty of cross party voting happens there.

It happens in almost every other Parliament in the western world. In New Zealand it is encouraged. In Australia it happens. It never happens here. We are far behind in the reform of this place. It is in desperate need of change. Anybody who denies that is either pulling the wool over their own eyes or does not truly believe in democracy.

I cannot help but move off topic a little because we have an all encompassing situation here when we are debating the motion put forward by the hon. member for Mission—Coquitlam.

• (1815)

At this stage I will reread the motion so members know exactly what we are talking about. The motion put forward by the member was that the Standing Committee on Procedure and House Affairs considering recommending to the House:

That the standing orders be amended by adding the following:

I will include the amendment as proposed by the Bloc member earlier.

97.1 A standing, special or legislative committee to which a private member's public bill has been referred shall in every case within 60 sitting days from the date of the bill's reference to the committee either report the bill to the House with or without amendment or present to the House a report containing a recommendation not to proceed further with the bill and giving the reasons therefor.

I certainly hope based on the draft copies of the first report of the subcommittee on Private Members' Business that it will make a similar recommendation very soon to the House and that it will be

adopted. There are some other recommendations we see floating around in draft reports that we would hope to see here.

I have spoken already on the basic motion put forward by the member for Mission—Coquitlam. I was am very pleased to see the amendment. I think 60 sitting days is a much more practical than the six-month idea. We get these long periods over the summer and Christmas where it is not reasonable to have a six-month period.

I am very supportive of the amendment as it was proposed. I will certainly be voting in favour of it. I recommend all members of the House support it.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I want to indicate at the start that I support the motion.

I could not help but react to the remarks of the hon. member opposite who just spoke. He did not think that the hon. government whip had made much of a contribution to the debate tonight. I listened carefully to what the whip reviewed for us. As a government member and as an opposition member when I was first elected in 1988 I am quite impressed with the volume of Private Members' Business the House has managed to accomplish in the last three years.

Referring to the old adage that beauty is in the eye of the beholder, I have to look back five, six, seven or eight years ago when the passage of Private Members' Business whether it be a motion or a bill through this place was deadly slow. When I first came to this place the word on the street is to some extent is still there. The observers of the House, the media, often say it is a very rare thing to have a private member's bill or motion passed.

The fact is that it is not a rare event any more. In the previous Parliament it may have been quite rare. I regarded the process of Private Members' Business at that point as really quite token. Very few matters managed to get to a vote. The flow of business was very much controlled by the government at that time.

Coming to this Parliament I began by serving as chair of the subcommittee on Private Members' Business. The flow of private members' bills that were votable reaching the House and bills that were adopted began to increase. As one member I am not satisfied we have a perfect system. I am not satisfied we allow the best bills to reach the floor and be voted on. The system is imperfect. There are good bills and motions that never get to the floor.

As I understand it, there is currently a review of the process. Members of Parliament will be making recommendations. I am quite confident they will recommend a modification of the current system that will be even better than last year's model. I know last year's model was better than the one of the year before. I think we have a chance to keep on making it better.

Private Members' Business

• (1820)

The proposed motion requires the committee to which a Private Members' Business item is referred to report back yea, nay or with modifications. One reason there is a problem getting the business back into the House is that as Private Members' Business procedures have been evolving an ethic, convention or tradition that would require a committee to report back has not evolved. It is regrettable the committees have not adopted such a convention. The reason is obvious. It is because we have never had a flow of Private Members' Business to the extent we have now.

There is a pinch point in committees now which did not exist before. Somewhere between the end of the previous Parliament and the beginning of this one a decision was made by the government that Parliament would dispense with what were called legislative committees. The decision was made with or without the opposition; I do not recall.

Prior to that time there were two major classes of committee. There were the standing committees which are still around today and there were legislative committees. The legislative committees were established for the sole purpose of dealing with government bills passing through the House.

The standing committees had a greater ambit of potential activity. They were able to choose the business they wanted to do and were not burdened continually with government legislation being referred to them. As a result at this time we are not using legislative committees. We just have the standing committees to deal with all the government bills referred to them, all other matters the House specifically refers, any matters the standing committees wish to pursue on their own and all Private Members Business. Consequently our standing committees are overloaded.

A solution may involve taking another look at it in some way. It is a larger issue but part of the issue the whip referred to earlier. When we are looking at a problem we ought to look a little broader than just one issue to try to resolve it.

I have regretted for a number of years the changing psychology that has resulted in a crush of work being given to the standing committees. As a result, Private Members' Business usually does not have that much standing.

The Acting Speaker (Mr. Milliken): Order. I am sorry to interrupt the hon. member.

THE ROYAL ASSENT

• (1825)

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

• (1835)

[*Translation*]

And being returned:

The Acting Speaker (Mr. Milliken): I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-60, An Act to establish the Canadian Food Inspection Agency and to repeal and amend other Acts as a consequence—Chapter 6.

Bill C-87, An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1997—Chapter 7.

Bill C-88, An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1998—Chapter 8.

Bill C-23, An Act to establish the Canadian Nuclear Safety Commission and to make consequential amendments to other Acts—Chapter 9.

Bill C-70, An Act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related Acts—Chapter 10.

PRIVATE MEMBERS' BUSINESS

[*English*]

STANDINGS ORDERS OF THE HOUSE

The House resumed consideration of the motion and of the amendment.

The Acting Speaker (Mr. Milliken): Resuming debate. The hon. member for Esquimalt—Juan de Fuca has five minutes.

Mrs. Jennings: On a point of order, Mr. Speaker. I understood that if we broke for the royal assent and came back we would not lose any time. Is that not correct?

The Acting Speaker (Mr. Milliken): I am advised that there are only five minutes remaining in the hour. We have not lost time, but the five minutes that were left before we left for the royal assent are now available to the hon. member for Esquimalt—Juan de Fuca.

Adjournment Debate

He has a 10-minute slot, so he will be entitled to five minutes when we resume debate on this motion in the third hour. The hon. member for Esquimalt—Juan de Fuca.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a privilege to speak on the private member's motion of the hon. member for Mission—Coquitlam.

The private member's motion was put forward to demonstrate the extreme frustration all members of this House have been faced with since coming to Ottawa.

Three years ago government members who sit here today as ministers, the Minister of Health, the Minister of Labour, and the Minister for International Cooperation, and yourself, Mr. Speaker, all put forward a great document that was going to democratize this House. The outcome of that document has been absolutely nothing.

It is a great embarrassment to the government that this is the only democracy in the entire world that has non-votable private members' bills. It does a huge injustice not only to this House but to all the great people in the country whom we represent who have great ideas and through us desire to put forth their ideas in the House of Commons.

Little do they realize that it is virtually impossible, given the egregious non-democratic structure under which all members of Parliament labour. Committees are another example, but private members' bills are what this motion by the member for Mission—Coquitlam is all about.

It is high time that all private members' bills were made votable. It is high time that the House and all members knew why private members' bills are held up in committee. It is high time all members knew why their private members' bills are not allowed to return to the House to be made votable.

• (1840)

Two years ago I introduced a private member's bill calling for a ban on anti-personnel land mines. That bill was not made a votable item. The bill could have given Canada a leadership role in calling for a domestic ban on these terrible devices, a ban which the minister is now calling for.

I introduced the bill a second time last year. Again I asked the government to introduce a domestic ban on anti-personnel land mines. Again it was not made a votable item, even though the government was asking for the same thing. This bill would have given the government the ability to introduce a domestic ban on anti-personnel devices but because of reasons only known to the government, it chose not to do so.

It was said to me some time ago by an individual who is high up in the government ranks that they would not make any private member's bill votable for fear of embarrassing the government and also because the government wants to take credit for anything substantial. That is politics, but it also does a huge disservice to all the members of the House who come to this place to fight for the best ideas and ideals to strengthen our nation.

We live in a structure that is anything but democratic. It is a structure ruled by a small number of people, many of whom are unelected, unaccountable and invisible. These members, working through a bastardized version of the Westminster system, have put forth a system through the whip structure which has members of Parliament cowering. Furthermore it prevents them from representing their constituents.

This is an outrageous affront to democracy. It is an outrageous affront to this institution. Worse, it is an outrageous affront to all Canadians who demand that their elected officials do the right thing and support them in their efforts to build a stronger country.

The private member's motion put forth by my friend and colleague from Mission—Coquitlam would give the House the power to strengthen Private Members' Business. It would give members the power to put forth many ideas which are not thought of by government to strengthen our country and indeed our world.

I hope the government will take heed of this motion and the great paper put forth by you and others who are ministers today, such as the Minister of Health, which would strengthen committees and make them democratic. It would make the submissions made by the public more useful. Right now committees work very hard and produce documents which are noted in the media for about a day and then are tossed on a shelf only to collect dust and be forgotten.

The worst example in recent memory, of course, is the Royal Commission on Aboriginal Peoples. That document cost \$60 million and took three years to prepare. It has been tossed on a shelf to be forgotten.

I hope all members, if they are interested in pursuing the course of democracy and strengthening the House, will support Motion No. 267.

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

ADJOURNMENT PROCEEDINGS

[English]

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

Adjournment Debate

CHILD POVERTY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP):

Mr. Speaker, some time ago I asked the Minister of Human Resources Development when the proposal to introduce the new child benefit was made why he did not take the opportunity to ensure that it was a truly national program with truly national standards in the same manner as medicare, rather than making the relatively modest commitment, when we consider the extent of child poverty in this country, to provide resources to the provinces which the provinces would then be expected to pass on to the children.

I raised this question because there are provinces which have not brought the interests of children to the fore. Those provinces do not include the two provinces which pushed the government on the child benefit initiative. Those two governments are the NDP governments of Saskatchewan and British Columbia.

• (1845)

In particular, the premier of my own province has been a major advocate of this program and has regarded it as essential to make sure child poverty is efficiently and effectively dealt with across the country.

He and many others are concerned that this proposal presented in the budget is not sufficiently adequate to meet the needs of children across the country and is not one which has national standards attached to it to make sure those moneys actually find their way into children's support programs.

I am pleased to indicate today that in the Saskatchewan budget further leadership has been shown on this question, as the Government of Saskatchewan has introduced the Saskatchewan component of this program today, not as the federal government has suggested sometime in 1998.

The Minister of Finance has indicated that child poverty is a national disgrace in this country. He is quite right about that, but what kind of commitment do we show when this government recognizes something is a national disgrace and then says it will do something about it in 18 months? Canadian children deserve better than that.

Canadians have seen this federal government program without national standards before with regard to the Canada health and social transfer which basically abandoned national standards and just handed money over to the provinces, considerably less money than before, \$7 billion over three years less, and basically hoped that the provinces would spend it as they saw fit rather than as Canadians saw fit with regard to health care, social programs and post-secondary education. This is the easy way out. It shows no national leadership and no national commitment to solving the challenges the country faces. It is a dissatisfaction that Canadians

feel in general with the government's refusal to accept responsibilities for the massive cuts that have taken place in social programs.

When we look at the child benefit itself here is one of the strongest examples of this Liberal government's hypocrisy. We have seen three successive Liberal budgets which have clobbered poor and lower income families in Canada. As we know and as we should have expected and as was presumably predicted by the Minister of Finance, the Prime Minister and other ministers responsible, poverty has increased in this country over the years of Liberal government. It has become deeper and more people are experiencing it. This is a tragedy which has been added to by government policy.

It is critically important that we see a major commitment from the federal government in partnership with the provincial governments. This is not the way to go about it. I hope the minister reassesses the situation and takes scope of the example provided by the province of Saskatchewan today in this matter.

Mr. Gordon Kirkby (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):

Mr. Speaker, last year we announced an enrichment of \$250 million for working poor families, and this is on top of the over \$5 billion the government already spends on the child tax benefit and working income supplement. But more needs to be done. That is why we have been working with the provinces to develop a national child benefit system. The 1997 budget of February 18 announced a substantial federal down payment in this important national project that will help poor children across the country regardless of province of residence. An additional \$600 million was added to the federal program.

This enriched federal child tax benefit will provide a strengthened national base of income support for Canadian families. Provinces have agreed to start work immediately on developing a joint framework to implement the new national child benefit as early as possible. Provinces will be topping up the federal base by investing their funds in complementary benefits and services.

Let me point out the provinces have publicly committed to these objectives and to reinvesting provincial savings to meet our collective goals of reducing poverty and improving the transition from welfare to work. This is a giant step forward in Canadian federalism. It shows how federal and provincial governments can work together for a common goal. With a national child benefit system poor parents will be better able to afford to leave welfare and take that step to build a better future for themselves and their children. It is like giving them a boost over the welfare wall.

For those parents in low paying jobs, the national child benefit system will help them remain employed and avoid going on welfare. Staying on the job or finding work is important because

Adjournment Debate

once employed, low income parents can acquire new skills and work their way up to better paying jobs.

Our work with the provinces has placed an initial emphasis on reducing the severity of poverty many children and families are facing. But this is an ongoing process and we will continually need to work with the provinces to develop this national child benefit system that ensures federal and provincial governments work effectively together to help kids.

The federal, provincial and territorial council on social policy renewal, which the minister of Human Resources Development

shares with the minister of Alberta, is examining other issues to assist young people to take a step out of poverty.

[*Translation*]

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

(The House adjourned at 6.50 p.m.)

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