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(HANSARD)

Friday, October 2, 1998

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Friday, October 2, 1998

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

• (1005)

[*English*]

CANADA SMALL BUSINESS FINANCING ACT

The House resumed from September 29 consideration of the motion that Bill C-53, an act to increase the availability of financing for the establishment, expansion, modernization and improvement of small businesses, be read the second time and referred to a committee.

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to have the opportunity to participate in the debate on this excellent piece of legislation.

We know of course that the Minister of Industry has a keen interest in small business in Canada, as do all hon. members. As late as yesterday the official opposition was talking about small business people in Canada, EI premiums and a number of other issues, extolling the virtues of small business.

Yesterday the Leader of the Opposition in the House also raised the world economic challenges going on now and asked if the government had anything to announce in its business statement in regard to that. I of course thanked him for the question and immediately told him about all the excellent legislation on which we are proposing to move to assist small businesses, and business generally, and to create wealth and jobs in Canada. That is central to the program of the government.

[*Translation*]

Therefore, given the interest of opposition members, and of all members, in the Canadian economy—if the speeches and interest shown in the House yesterday are any indication—we can only wonder why the official opposition has decided, in its wisdom—

An hon. member: Let us not exaggerate.

Hon. Don Boudria: —in its supposed wisdom, to resort to a procedural mechanism so as to prevent the bill from going forward.

The opposition has asked that consideration of the bill to help small businesses be postponed for six months.

Hon. Lucienne Robillard: What a contradiction!

Hon. Don Boudria: The Minister of Citizenship and Immigration points out how contradictory this is. She is, as usual, right on the mark.

It is important that this bill to help small businesses go ahead.

[*English*]

It is important that the opposition not cause delays on this bill by moving dilatory motions, hoist motions or other procedural tricks to stop this bill from going ahead. I do not think procedural tricks should be going on. Therefore I move:

That the question be now put.

[*Translation*]

The Acting Speaker (Ms. Thibeault): We now proceed to the period for questions and comments.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I thank my colleague across the way for his speech, but I am disappointed that he wants to put the question on this very important issue at this point in time.

Be that as it may, I have a question for the hon. member. His government is taking a significant amount of EI premiums and putting them into general revenues. These moneys are in excess of what is needed in the fund to pay out to people on employment insurance.

• (1010)

Current information shows that taking this money out of the pockets of the private sector has a significant dampening effect on the ability of the private sector to generate employment. The hon. member knows very well that the report of the Canadian Federation of Independent Business which came out 48 hours ago shows very clearly that the number one issue that impedes the ability of business to create jobs are the high taxes in this country.

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I ask the hon. member whether he is prepared to ask the finance minister today to lower EI premiums by 50%.

Hon. Don Boudria: Madam Speaker, first of all I do not want to give a procedural lesson to the member across the way, but "That the question be now put" does not mean that the debate ceases now.

I have to explain this to the hon. member. He has been a member for a long time and I am surprised he does not know the significance of the motion that is now before the House. "That the question be now put" is a motion to ensure that no member can in fact hoist the bill and prevent it from coming to a vote. That is what the motion means.

Mr. Philip Mayfield: Can I ask what the question is?

Hon. Don Boudria: Madam Speaker, I did not know that I would have to give a procedural course to another member across the way. Perhaps I can just recommend Beauchesne to both of them and that will solve the problem. We could have a seminar. It was actually given to all members when we were elected.

The question proposed by the hon. member is very serious. He said that the government is taking EI premiums and putting them into the consolidated revenue fund. I would like him to substantiate that allegation. No such action has been taken. No one has taken EI premiums for anything. That is blatantly inaccurate. I think what he means is that there is a debate right now as to whether the best course of action should be, not is, to lower EI premiums or to lower other forms of raising money, say, for instance, general taxation, whichever is the best process to put money back into the pockets of taxpayers. That is the debate. It is not whether someone has taken or is taking EI premiums.

As to the second part of the question, the hon. member said that these funds are being put in the consolidated revenue fund. In 1986 the Auditor General of Canada recommended in a report abolishing the special UI reserve where the premiums were held. That was abolished a year later in 1987. It has been almost 12 years since there was a separate EI fund. I know news travels slowly around here sometimes, but such a fund has not existed for 12 years. The debate is not on that; the debate is on what is the best process.

The Prime Minister has listened to representations from the member opposite and others. The question is, what is the best process to put some of that money back into the pockets of Canadians, not whether it is going to happen. That is an entirely different issue. How much of a cushion should there be in the event that there is a slowdown in the economy at some point in the future, which I certainly hope does not happen.

That is the debate that is before us. It is not whether someone is taking EI premiums. It is nonsensical to put it in those terms and does a disservice to everyone around here.

I would recommend that all Canadians read the Reform Party's policies. I know that is difficult at the best of times.

Some hon. members: Oh, oh.

Hon. Don Boudria: Let me rephrase that. Canadians should read a very small portion of the Reform Party's policies because I know that reading a lot would cause indigestion, heartburn and other things. We might have to call a well-known physician in the House to take care of us if we read too much.

If we read very briefly that part which refers to EI premiums, I know very well that the policy of the Reform Party has been, as late as the last election, to take EI funds and use them for tax reduction. That was the policy of the Reform Party, stated in its own documents.

• (1015)

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I appreciate that you recognized me in order that I may comment.

[*Translation*]

Mr. Antoine Dubé: Madam Speaker, I rise on a point of order. You have allowed the same party two opportunities in a row to put a question to the Leader of the Government in the House.

[*English*]

Mr. Ken Epp: Madam Speaker, my apologies but I was speaking and suddenly I lost the floor. Could you please explain how that happened.

The Acting Speaker (Ms. Thibeault): One of the members had a point of order. You have the floor now.

Mr. Ken Epp: Thank you, Madam Speaker. I point out to anyone watching this debate that the member from the opposite side has just pulled what we would call a sneaky procedural trick while he has accused us of doing that.

What we want to do and what the Liberals are failing to do is to improve legislation. It is totally false for him to imply that we are somehow against the ability of business to do its job. He is saying that we want to prolong and somehow kill this legislation. We want to improve it. We have found from this Liberal government that there is no openness to reasonable amendments. We want to make some amendments, we want to have an allocation of time given to improving this bill before it is put into law.

In the 35th parliament this government used some form of time allocation or closure 35 times. The Liberals do not want debate. They do not want debate in the House and they do not want debate among the Canadian people. Once the Liberals have made up their bullheaded minds they do not want to change their minds. That is giving us legislation that is far less than what it could be.

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We have already had seven time allocation motions in this parliament including one earlier this week on the DNA act. We supported the principle of that bill but there were some very important amendments to be made. What reaction did we get from this government? We got "No, we are going to do it our way" and there was a time allocation motion. The government brought all its members in here. They stood and voted for it on command. As a result the bill was jammed through in its present uncorrected form. It is flawed legislation.

Why are the Liberals opposed to having legislation improved? Surely they are not so arrogant as to think that the very first shot at it is the best anybody in Canada can ever do. Why are they not willing to listen to other points of view, those expressed by the Canadian people through the opposition and those expressed by Canadians directly? Why are they insisting on closing down debate? This is really unacceptable.

I would like the member opposite to explain to the Canadian people, not just to me and our party, not just to the opposition, why his party has to resort to these heavy handed tactics in order to jam its legislation through, in its perfect form according to them, when we know it could be improved.

Hon. Don Boudria: Madam Speaker, I recommend to the hon. member citation 521 of Beauchesne's. That is the first part of my answer.

The member says that he wants the bill amended but the motion he put earlier this week was that the bill be delayed for six months and not amended. He proposed a motion that would stop it from going to committee where his own amendments could be proposed.

The opposite to the truth has never been stated more accurately than by what the hon. member has done just now.

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Madam Speaker, I want to speak to Bill C-53, but something just happened here that, I think, requires clarification.

• (1020)

Apparently in response to a Reform motion to be disposed of next Tuesday I guess, the government House leader is proposing a kind of gag order. Because he does not agree with the Reform Party's motion to defer consideration of the bill for six months, he is proposing that we proceed immediately. That is what he said this morning.

This needs clarifying. The government House leader referred to our Standing Orders, but went on to talk about employment

insurance and what not, leaving the people who are at home listening to us completely confused

Granted, Bill C-53 is not perfect. However, given the principles behind the bill, including the need for small businesses in Quebec and Canada to have access to financing, leaving these businesses in a lurch for six month cannot be justified.

Last year, through Bill C-21, approximately \$1 billion in additional funding was to be provided. Now, this was a while ago, and we all know how long it takes for legislation and programs to be implemented at the federal level, especially with this government, which is quick to propose time allocation motions but is very slow when it comes to reviewing programs. I find this somewhat funny. The government House leader wants to proceed quickly when this bill is not well structured enough to meet the needs of small businesses.

At the same time, there is an urgent need to maintain funding. But we must be careful not to repeat the mistake made these past three years, when a bill was introduced each year to provide a one-year extension as well as additional funding. This year-to-year approach makes no sense.

We must at least recognize that Bill C-53 provides for the continuous operation of the small business loans program. We support this objective. It is very important, imperative, that we stop playing this game year after year, leaving our small businesses across Canada on the edge all the time.

Under this kind of management approach, the people concerned live in fear of the program being abolished or of funds running out so they rush out to the bank so they can be sure to benefit from the program. Often, projects, and this has been shown, are not always ready and are more vulnerable. They risk being rejected.

When the time comes to compensate the banks for losses, the government has a number of demands. This is what occurred in the past, because the basis was a year at a time. The auditor looked into that and noted that there was indeed a control problem and a certain lack of cost effectiveness. I think that, for the last year, the compensation figure was around \$200 million. A significant figure nevertheless.

However, 95% of businesses in Canada are small. They create nearly 50% of jobs. It is the small businesses of 50 employees or fewer that use much of the manpower and are the most imaginative and creative, we have to admit. They are the most involved in economic development. That is very important.

This is why we support the bill in principle and why, Tuesday, the Bloc Québécois will support it. We understand to some extent the arguments of the Reform Party and we understand why the Reform Party wants a six-month delay in order to better understand the situation. If we agreed to their proposal, we run the risk of depriving small business of funding for a fairly long time. We cannot agree to that.

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• (1025)

The best approach would be for the Reform Party and the other opposition parties along with the government members to buckle down and get to work on the Standing Committee on Industry. The parliamentary secretary is here and has said that he would be receptive to changes and improvements. For once. We are not used to having the government open to change proposed by the opposition.

Generally, they tend to think the truth is exclusively on their side. We think it is better distributed than that. Often, it may be found as well on the opposition side.

We can call this a game, but we can also call it democracy. That is the way our system works. There is a bill, and a parliamentary committee is going to examine it. People with proposals for changes will be able to have their opinions listened to. Some changes will make sense and others will not. It will be up to the parliamentarians to evaluate that in committee.

The usual process is for a report to be made to the House after that. Here again, the opposition parties can present amendments. Since this is a very important subject, this time it might be necessary for the government to show it is listening to the views of the public, which will also be expressed through the opposition parties.

This is what I have heard so far in the debate on this bill, and on Bill C-21 as well, not to mention the debate last year, because the government brings this up pretty well every year.

I am on the Standing Committee on Industry, and again yesterday morning we were presented with a foot-thick pile of documents and statistical studies. There are proposals for such things as seminars, symposia, endless press reviews, and groups asking to be heard. The association of independent business people, consumers, big business, all have opinions on this. Then there is all the current debate around the bank mergers. This is far from a minor issue. It is important.

At the present time, there are seven major banks, plus the caisses populaires in Quebec. As we know, the caisses populaires are extremely important in Quebec. I have some knowledge of this because their head office is in my riding. Lévis is where the Desjardins movement began in 1900. Its centennial will be coming up in two years.

My comments are very pertinent, since half of the loans granted under the old Small Business Loans Act are administered by the caisses populaires in Quebec, while the other half is administered by one of the seven major banks. This is very important.

We are indeed talking about small business and small business financing, but we are also talking about how banks operate. This is currently one of the most talked about issues at the federal level.

All the parties must conduct a very thorough review of this issue. All have basic positions and principles, but the situation of financial institutions is changing so rapidly at the world level that the debate should include an assessment of the financing needs of small business. I know that the Standing Committee on Finance is looking at this issue. There is the McKay report on this.

We must take the time needed, but we must not take too much time, otherwise we would deprive our small businesses from getting the financing they need.

The bill is not perfect. It is in response to the auditor general's recommendations who, and rightly so, proposed accounting measures and controls. The auditor general did a good job. He is proposing that the government add mechanisms, that the minister have more means to control the program's effectiveness. We agree with him. However, we must not only react to this specific situation.

• (1030)

To rely exclusively on controls, and to implement too many of them could prevent us from benefiting from the development triggered by small business in Canada, which we truly need. The future is far from being secure and guaranteed, and major businesses—such as GM in Montreal—are slow to announce what they have in store in terms of investments, planning and direction. Meanwhile, people are left on the sidelines.

There is a major industry in my riding called Davie Industries. It has secured \$300 million in contracts, but its workers face an uncertain future, because there is currently no guarantee of financing. We must take a serious look at this situation, because it involves hundreds of millions of dollars. What is involved for 95% of the businesses in Canada is \$200 million that has allegedly been lost. However, they have failed to look on the profit side.

As businesses were setting up under the program and therefore creating jobs, tax money was being paid both federally and provincially. This meant additional revenues. Perhaps the program cost \$200 million, but no financial studies have been done to show how much it generated for the federal and provincial departments of revenue.

There are no studies to indicate that, but I have no doubt that it brought in far more than it cost. When we talk about 50% of Canada's manpower, we are talking a lot of people. That translates into taxes too. If we do not help small business to set up and remain in operation—because a lot of them go bankrupt—and we do not provide for renewed funding, what happens? Jobs are lost.

After a period of receiving employment insurance benefits, these people find themselves without jobs. But here, I am sounding a sour note, because we realize that some 45% of people who have paid into employment insurance cannot collect benefits under the

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new legislation when they become unemployed. That is a scandal and the subject for another debate.

That involves money too. This sort of situation costs all taxpayers. What happens when two people are in the same situation and are not entitled to employment insurance benefits? They have to turn to social assistance. This means additional expenditures for both levels of government, since the federal government also kicks in for welfare.

I think one would have to be short-sighted to take the Reform Party's approach and try to have the bill put off for six months because it is not perfect, because it does not quite suit them, and turn a blind eye to the serious impact on the health of businesses, not to say the health of those they employ.

We cannot leave people hanging for six months, not knowing whether or not the program will be extended. If we were to go along with this measure, it would mean that, tomorrow morning, because there is still a little money left in the program—an additional \$1 billion to extend it for one more year—all businesses would quickly throw projects together and rush to the financial institutions.

As I see it, there is one major problem with the bill. It guarantees the banks compensation for any losses, on condition that they move fast, because once the \$1.5 billion is exhausted, they are out of luck. Everyone is scrambling, and we all know that, when there is too much haste, problems arise.

The Bloc Québécois would have liked to see a better bill, one that incorporated the suggestions it made last year, and wishes that needs had been more accurately assessed.

• (1035)

An assessment of sorts is under way, it is true, and we will judge the results on their merits.

We would have liked to see more comprehensive considerations and broader consultations. We hope that, as part of the work to be done by the Standing Committee on Industry, it will be possible to carry out this consultation of the groups concerned, namely small businesses, financial institutions, the seven major banks, and the Canadian Bankers Association, as well as caisses populaires and credit unions in the rest of Canada, which operate along the same lines as financial co-operatives.

They should have a say in the matter, for the future and for the long term, so that we will not have to debate this issue in the House every year only to argue in favour of motherhood. I think that is where matters stand, but this government is going to have to listen seriously to what the public has to say and consider objectively the various proposals being made, including those from the opposition parties.

[English]

Mr. Walt Lastewka (Parliamentary Secretary to Minister of Industry, Lib.): Madam Speaker, I appreciate the words of my colleague from Lévis. He and I have had many discussions on small and large businesses. Sometimes we agree and sometimes we disagree, but at least we have a good debate and try to put our best efforts forward.

When the member brings his amendments to the industry committee I hope they are to improve the bill and not marginalize it. I welcome that. I welcome his debate.

The member has been on the industry committee for a long time now. I have forgotten how many years, because we have both been there for a number of years. When we put forward Bill C-21, the extension for one year of the SBLA, in the springtime the commitment was made by the minister and the department to make sure that the new bill would be tabled as early as possible.

The objective of the industry committee was to hear from as many witnesses as possible. The stakeholders of the bill would be present to make their efforts known to the committee. The objective was to have a good industry committee discussion on the bill and on amendments that could be brought forward from the stakeholders to make sure that when the bill came back to the House it would be a bill that we would all be pleased with, not one that we would delay and then have a crunch later on.

Could the member who has been a member of the industry committee for a long time expand on that.

[Translation]

Mr. Antoine Dubé: Madam Speaker, I will answer by saying that what goes around comes around. As the hon. member knows, I have been sitting on the committee since the election held in June of last year. As regards Bill C-21, which was to be postponed for one year, the member surely remembers that the Bloc Québécois had supported that legislation. At the time, we had reservations about the legislation and we proposed some changes. I will certainly help him remember the amendments and suggestions we proposed back then. There is a good chance we will suggest the same changes again.

It is in this spirit that I said earlier that we would support the bill on Tuesday, when the House will vote on it, because we are dealing here with the principle of the legislation.

Can one be opposed to the principle—and I ask Reform Party members to reconsider their position on this—of helping small businesses get financing? I am not talking about subsidies. I represent the riding of Lévis-et-Chutes-de-la-Chaudière, where the Lévis shipyard is located. Because of the huge figures involved, people are always under the impression that it is a major business. They think it is outrageous to provide assistance to such a company. But there are essentially no subsidies in the funds

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provided by the government. All the money is provided through loans, loan guarantees or contracts. It is somewhat similar in this case.

• (1040)

What in fact is being asked of the government is for it to act as guarantor, up to a ceiling of \$1.5 billion, to all of the small businesses in Canada for loans negotiated with banking institutions. Everyone recognizes the expertise of the banks, as well as the caisses populaires and credit unions, for they are located in the various regions concerned, which have different problems and characteristics.

The advantage of this is that it offers small business a basic program. There are other programs more specific to certain sectors, perhaps too many in my opinion. Too much of something can sometimes be as much of a problem as too little.

I was recently in an office in Vancouver in connection with my responsibility for regional development. I saw people working away at computers to locate government programs, both provincial and federal. I asked one person how long she had been at it, and she told me it had been a week. She told me it had been two days before she finally figured out how the system worked. She commented that she had been shunted from one program to another, and how very confusing it was. It is all very fine to have computers available to give people some degree of independence, but there still have to be advisors.

Quebec now has a new structure in place which impacts on the social economy, the local employment development councils. These have enhanced the economic councils, which some regions called by another name. These still need counsellors.

It must be kept in mind that a loan program is still needed. Within the framework of this legislation, this loan program is aimed at small business. It is therefore extremely important. I do not believe such an essential issue is the right place for petty partisan politics.

[*English*]

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Madam Speaker, I am pleased to rise to discuss Bill C-53.

Up to this point in time nobody has mentioned in the House what makes small businesses go or what makes small businesses operate. Coming from the western constituency of Souris—Moose Mountain we have but two major corporations. Both are government owned. They are coal generated power plants. Outside one other business every business in my constituency is under definition a small business.

In the winter of 1966-67 my question to the small businesses in my community was to ask what they needed most. At that time the

answer was to get the high cost of government doing government business for them off their backs. It was almost universal.

Now the story has changed and it is a sad case on the western prairies. It is very sad in my community for small businesses. It is probably worse to be in a small business in the grain industry now than it has been since World War II.

When I made phone calls the comments I heard were that the bill did not interest them in the least. They wanted customers who had some money to spend. We have not addressed that question in the debate. It is a domino effect. If customers have no money in their pockets, the businesses go down regardless of the loans to them. We have not addressed the plight of primary industries for a long time.

I made two phone calls to small hardware stores in my community that would certainly qualify for a loan. Basically they depend entirely on two sources: the oil patch and the agricultural community.

• (1045)

Both hardware stores, same response. One more year of this and we close the door.

In most in my towns and villages there are three businesses closing for every one that is staying open. We have not addressed the problem of providing and looking after our primary industries. Grain production in Saskatchewan is still the number one industry. I will give members what I dug up in the last two days. Here are four local industries.

One, setting up steel storage beams. They are out of business. They had a loan. Two, an independent soil testing device to provide information to the farmers. Closed. Out of business. Three, fertilization. It no longer pays to fertilize with the price of grain. Four is very interesting. A local contractor not too far from where I live employing four people is out of business. His job was to put new roofs, barns and so on. But there is no money. Businesses are going down because we have neglected the primary industries.

I hope the House and all Canadians will listen to this so they understand. Picture in your minds nine steel bins on the prairies full of grain. The first three bins will go to pay the freight. The next two bins will go to pay the taxes. The next two bins will pay the fuel costs. The last two bins pay the seed, spray and maybe some fertilizer. NISA, the RRSP for farmers, was a good program. I commend the government and the provinces for that. It now is gone. They used it all in the last two years. They have exhausted their total line of credit at the banks and the credit unions.

Here is the situation. I read something I got yesterday morning from my local elevator. Canadians should realize why small local businesses are out of the picture. As of yesterday, with freight deducted, the farmer takes home \$2.12 with number one red spring

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wheat. That is the worst price that the farmers have received. Nothing since World War II could come anywhere near that.

The agricultural economists tell us that if we do not get \$4.00 a bushel we are not breaking even. 3CW durum is \$2.02. No wonder men stores and the ladies shops and all the small businesses are closing. Oats are 77 cents a bushel. Number one feed barley is 74 cents a bushel.

I stopped a lady who had gone in to buy some shoes, some jeans, shirts and so on for a family of three to get them started back to school. The total bill was around \$324. Let me tell members the plight of western Canadian small business. That small bit that she bought for her children would take 437 bushels of barley.

• (1050)

Instead of joking about this situation, hon. members should be ashamed of themselves. This is not a joke. I live among these people. I know what is happening out there. All across Canada, if the primary industries are not nurtured or protected, we will have a domino effect.

It would take 8,100 bushels of barley or 7,800 bushels of wheat to pay a \$6,000 tax bill.

What happens to the small business is simply that the majority of taxes in Saskatchewan go to education. These taxes are not going to come in. Therefore what happens? There are fewer roads built, fewer teachers hired and it goes on and on.

The local governments cannot keep up because of commodity pricing and they are not the least bit interested in this bill until this government takes an honest look at what part it can do in looking at a very serious situation.

Two of the largest farm implement dealerships locked their doors in the last two months. They were for sale. No buyers.

In a survey I did, at 26 farm auction sales only 2 of those farms were going to be turned over to members of the same family. The majority of these people want nothing to do with the dreadful situation that exists.

The bill looks good. The bill sounds good but it is of absolutely no value whatsoever to the people I represent until the government does something about the primary industries.

The people in my constituency could not care less about the wrangling in this House today. That does not put money in their pockets. It does not give them any guarantee for the future. They hate to face the coming winter.

I do not deny that the government wants to support small business but I want members to be aware that if they are really going to support small business, they have to look after the primary industries of this country.

In that respect, the people in western Canada, the people I have met in my constituency totally will say you have disregarded the primary interest of our province. Members have to put more money into the hands of the customer.

There are approximately 68 private insurance brokers in my constituency. One motion of this government that will allow the banks and the credit unions to have it all in-store shopping could knock out 76 private businesses in two weeks.

They have heard the same message I have but I have made it abundantly clear to them that I am here to protect their business on the main street of every town. I hope the government heeds that lesson very well.

Another thing is the overtaxation not only to the consumer but as it deals with the private small business.

• (1055)

The domino effect of grants from this government and from the provincial government has made it virtually impossible for the small operator to meet those taxation demands. Their taxes have gone up 8 times, 800% in less than 20 years, and little wonder. If any of the members opposite want to dispute this claim they can do their own research. Is it not true that they have had as many phone calls as I have had with regard to the EI?

Both the people who called me this morning basically said "Do you want to hurt government businesses? We paid \$1.40 for every one of our employees spending \$1. It belongs to us and we won't be able to hire more people unless that premium is dropped". This was from a person hiring some 16 people.

If government really wants to help small businesses, go ahead but it had better deal with the primary things first. It has taxed businesses to death. It has taxed the Canadian public to death. It has excessively taxed people on their CPP premiums, which is another tax grab. The government has a disgraceful record in the EI.

While all this is on one side of the government's books, it tries to stand in the House and tell us what a wonderful thing this is going to be for small business.

I wanted to move a motion before this bill went any further because I wanted to make it abundantly clear to all Canadians that small businesses with a staff of two and three people are going to close their doors in my province in the next two years because of this government's lack of concern as to what it could do to support that primary industry.

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The second largest bill is the tax on the fuel that a farmer uses to run his farm. I was in a farm yard not too long ago when the tanks were filled and the bill was \$1,800. A good portion of that is taxation.

I think this bill should be delayed. I look at these prices such as \$2.12 a bushel for wheat. I do not think there is a farm, even if it is a 20 section farm, that can survive on that. However, because this government seems to have no interest in that small amount, I want to read to this House—

The Deputy Speaker: The hon. member has run out of time. He will have four minutes remaining in his time after question period when we resume Government Orders. I will look forward to hearing his remarks then.

STATEMENTS BY MEMBERS

[*English*]

COMMONWEALTH GAMES

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I rise today to pay tribute to Cambridge native Crystal Gilmore and her four teammates Emilie Fournier, Veronique Leclerc, Lise Léveillé and Katie Rowland, all members of Canada's bronze medal women's gymnastic team at the recent Commonwealth Games in Malaysia.

A member of the Cambridge Kips Gymnastic Club, Crystal and her teammates represented our nation with determination and pride. They showed by their example what can be accomplished with hard work and dedication.

On behalf of the people of Cambridge and all Canadians, I congratulate Crystal, Emilie, Veronique, Lise and Katie on their success.

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TRADE

Mr. Howard Hilstrom (Selkirk—Interlake, Ref.): Mr. Speaker, Canadian farmers continue to suffer because of belated responses by this government to the non-tariff trade actions taken by mid-western states.

They will continue to suffer because this is obviously part of an overall policy of U.S. trade action against Canadians. This is not just an election issue as some members have stated.

The Americans are currently proceeding with anti-dumping complaints against Canadian beef farmers and the Canadian dairy industry in addition to the ongoing harassment of the Canadian Wheat Board. All of these trade actions will take money out of the pockets of Canadians.

• (1100)

The government has started the WTO and NAFTA complaint process. I support this action, but it is not enough. The government

must give this trade issue a higher priority than it has in the past month. I call on the three ministers involved to use every possible remedy, including court action, to immediately put an end to this problem.

* * *

SOURIS COAST GUARD

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am pleased to recognize three Souris, P.E.I. coast guard crew members for a job well done.

Around 9.00 a.m. on the morning of September 27, the Souris coast guard station tuned in to a mayday call. Captain Roddie MacLeod, Richard Harris and Leslie Croucher responded immediately to the call and came to the rescue of three Gaspé tuna fishermen and their 45 foot boat.

The three tuna fishermen were found with survival suits on, floating in a life raft and watching their boat sink about 16 kilometres south of East Point. The coast guard crew brought the three fishermen on board the cutter, captured the boat at considerable risk, and towed their boat to safety as heavy rains and winds began to pick up.

I commend the Souris coast guard's Captain Roddie MacLeod, Richard Harris and Leslie Croucher for their timely response and valiant rescue.

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WOMEN'S HISTORY MONTH

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, I rise to recognize women's history month. This October will be the seventh annual celebration of the past and current contributions of women to Canadian society and Canadian heritage. This year's theme is the Business of Women: An Evolving Story.

All across Canada women are becoming more involved in the small business sector. One-third of all small and medium enterprises are owned by women. That figure rises to 46% when one considers new small businesses. Women entrepreneurs are also creating new jobs at a higher rate than the rest of the small business sector.

This government supports women in the small business community. We will continue to listen to suggestions and look for solutions to help the cause of women in the Canadian business world.

* * *

[*Translation*]

MONTREAL EXPOS

Mr. Hec Clouthier (Renfrew—Nippissing—Pembroke, Lib.): Mr. Speaker, as a student at Loyola College in Montreal, I remember going to see Les Expos when they introduced Canadians to a major league baseball team they could call their own. I

remember the announcer at Jarry Park calling “The catcher, John Bock-a-bella.”

I remember Rusty Staub—“Le Grand Orange”—Rhéal Cormier and Larry Walker, the first Canadian this century to win a major league batting title.

Let us never forget that the Montreal Expos brought together not only citizens of Renfrew—Nipissing—Pembroke, but all Canadians. They unified a country; they aroused a passion for the game of baseball.

[English]

If the Expos strike out for the last time, Canada’s field of dreams will be forever diminished.

[Translation]

And that is sad.

* * *

[English]

CANCER

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I want to tell members today about Beverley and Susie. It is almost 18 years ago that each of these young women, then in their early teens, found out that their mothers had cancer. Beverley’s mother survived; Susie’s unfortunately succumbed to the disease. It was devastating to Susie, her father, her sister and her brothers.

Beverley is our daughter. Her mother who survived is my wife. We are so grateful for God’s healing. Susie is our son’s wife.

Pretty well everyone in Canada has been touched by this dreaded disease. During October, cancer month, let us do all we can to further the cause of research. Let us reach out in love and caring to those who are in the middle of the battle.

* * *

VETERANS AFFAIRS

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, Canada’s veterans are the reason why this country is the best place in the world in which to live. It is also why it is imperative that we recognize the contributions of these valiant Canadians.

Each year the Department of Veterans Affairs hosts overseas pilgrimages to the sites of major campaigns and battles. These are conducted on a five year cycle around specific anniversary dates and are part of the long term, multi-year plan to remember Canada’s involvement in the first and second world wars, in addition to Korea.

Today a delegation of about 40 Korean war veterans stops in Vancouver en route to their former battlefields to commemorate the 45th anniversary of the signing of the ceasefire.

S. O. 31

• (1105)

The contingent will participate in a church service and a parade, followed by an address by the hon. Minister of Veterans Affairs.

One question that has recently been asked by thousands of Canadians is what does Canada do for its veterans. This is an example of how we honour our veterans. We will and must remember. We cannot forget.

* * *

BOMBARDIER INC.

Mrs. Judi Longfield (Whitby—Ajax, Lib.): Mr. Speaker, I rise today to congratulate Bombardier Inc. for its recent success in landing a \$1.5 billion contract to build 20 50-seat regional jets and 30 70-seat planes for Comair Inc. based in Cincinnati, Ohio.

This contract is the largest in Bombardier’s history. It is reflective of this Canadian company’s high level of quality, innovation and professionalism.

When this government invested in Bombardier, it knew what it was doing. The results are in for all to see.

A market leader in a very competitive industry, Bombardier’s success is a shining example of how Canadian companies and in particular our high technology companies, are successfully competing in today’s global economy.

This announcement means jobs. This is good news for Canada and good news for Canadians. I believe that we will see many more examples like Bombardier in the years ahead as Canadian high tech firms take their place at the forefront of industry.

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CANADA POST

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, Canada Post franchise holders across Canada want the government to stop the negative impact of Canada Post’s proposed changes to the operation of postal outlets.

The Canada Post chairman has agreed to review this matter to ensure franchise owners are not forced to operate at a loss. Many businesses will be badly hurt and the government should step in.

A very short timeline has been set for these businesses to finally have their evidence heard on the negative effect of the changes. Up to now there has not been adequate representation of franchisee concerns.

Feedback on the proposal was not accurate. The consultation process leading up to the implementation date of the changes was not sufficient. The Liberals should take immediate action to save these businesses and these jobs.

S. O. 31

The government must act today and save these 1,700 businesses. Do not make them operate at a loss.

* * *

[*Translation*]

BREAST CANCER

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, on Sunday, October 4, Canadians from across the country will run, jog or walk in support of breast cancer research, so that a cure can be found.

Some 50,000 Canadians in 22 cities will participate in the CIBC-sponsored Canadian Breast Cancer Foundation's Run for the Cure.

[*English*]

It is hoped that this event which serves as a main fundraiser for the Canadian Breast Cancer Foundation will raise \$4 million to be distributed among hospitals, universities, cancer treatment centres and education centres across Canada.

The Run for life is a major highlight of breast cancer awareness month. This year's theme is Living Proof, Loving Proof. It draws attention to the fact that breast cancer is a family affair and not confined to the woman alone. The support of friends and family is invaluable to a woman with breast cancer and this year's theme is a reflection of that.

Everyone knows someone who has been affected by breast cancer. It is estimated that some 19,300 Canadian women will develop breast cancer this year and 5,300 will die from it.

* * *

SASKATCHEWAN SUMMER AND WINTER GAMES

Mr. Rick Laliberte (Churchill River, NDP):

[*Editor's Note: Member spoke in Cree and provided the following translation:*]

[*Translation*]

I rise to congratulate the people of northern Saskatchewan.

The Hon. Carol Teichrob of the Saskatchewan government has announced the creation of zone nine for the Saskatchewan summer and winter games.

Louis Gardner, representative of the Northern Recreation Co-ordinating Committee said "This gives our northern athletes provincial and national exposure. Hopefully they will be participants in the Canada and Commonwealth games and have an opportunity to represent Canada at the Olympics".

This decision recognizes the wealth of potential to be tapped by Saskatchewan's competitive sports teams from a population where over 60% are under the age of 26. This opportunity will

instil a sense of pride in our youth through their contribution of gifts and aspirations.

My very best wishes to northern Saskatchewan's young athletes.

* * *

[*Translation*]

TRICENTENNIAL OF NOTRE-DAME-DE-FOY PARISH

Ms. Hélène Alarie (Louis-Hébert, BQ): Mr. Speaker, I am happy to join all my fellow citizens in celebrating the 300th anniversary of the parish of Notre-Dame-de-Foy.

Celebrations have been under way since September 4 to commemorate the birth of this parish, founded on September 18, 1698, whose first priest was Charles Amador Martin, son of Abraham Martin, after whom the famous Plains of Abraham were named.

• (1110)

This parish has a rich historical background, including events like the 1760 battle of Sainte-Foy, the construction of a hospital and the arrival of the Sisters of Charity of Quebec and the Brothers of Christian Schools. These valiant pioneers turned a country village into a thriving town to be proud of.

I wish to congratulate the team of organizers and volunteers for the care they have put into recreating the past through many festivities reflecting the profound values passed down from one generation to the next by the pioneers of the now 300-year-old parish of Notre-Dame-de-Foy.

Let us celebrate our past and pay tribute to three centuries of steadfastness.

* * *

CANADA POST

Mr. Raymond Lavigne (Verdun—Saint-Henri, Lib.): Mr. Speaker, yesterday, October 1, I attended what might have been a fairly routine event, the release of a series of postage stamps with a circus theme.

Today I wish to congratulate and thank the President and CEO of Canada Post, the hon. André Ouellette, for his dynamism, which he transmits to the entire corporation, and for the vision he has demonstrated in the choice of stamp issues and in planning their release.

The routine nature of the release of a stamp issue yesterday was transformed into something rare, in fact unique as far as I know. The four clowns depicted on these new stamps are all still alive, and attended the ceremony. What is more, two of them are father and son, Giovanni and Frederico Boris Iuliani.

I wish to thank these four artists, all of whom live in my beautiful riding of Verdun—Saint-Henri.

S. O. 31

[English]

HEALTH CARE

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, I would advise you not to break your leg in New Brunswick on a Friday night. Chances are there will be nobody available to look after you. Federal government cutbacks have affected the ability of our provinces to provide adequate health care to our rural communities. There are no incentives for young physicians to set up practice in rural communities and the ever increasing workload hampers the abilities of these towns and villages to fill vacant spots.

There are over 20 medical positions available right now in my constituency and in the surrounding region from Sussex to St. Stephen. The town of Hampton which in 1976 had eight physicians for the town and the region, as of November 1 will be serviced by only three. The last time this area had only three doctors was back in World War II.

Health care cutbacks by this government are forcing Canadian families to give up their rural way of life because it is no longer safe. The situation is serious and must be addressed immediately.

I urge this government to come up with a plan to ensure rural health care is protected. Canadians deserve adequate rural health care. Canadians deserve better.

* * *

[Translation]

VISIT BY SECRETARY-GENERAL OF FRANCOPHONIE

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, the Government of Quebec has represented the Quebec people in certain international forums for a long time now. Ottawa, however, tried to take advantage of the visit by the Secretary-General of la Francophonie to again challenge the rights of Quebec. The former French minister Alain Peyrefitte has described these as “historically recognized rights”.

The excuse given by the Foreign Affairs protocol office had to do with VIP security, as if Quebec were not capable of ensuring this. Knowing as we do that for the federal government the word “security” is often synonymous with “repression of freedom of expression”, this demonstrates its total disdain toward Quebec.

In its unflagging efforts to isolate Quebec and to nibble away at its independence, Ottawa is proving that it is turning its back on the profound aspirations of the Quebec people. That disdain will be short-lived, however, for the Quebec people will soon be opting, clearly opting, for sovereignty.

[English]

HUMAN RIGHTS

Hon. Sheila Finestone (Mount Royal, Lib.): Mr. Speaker, on October 6 a special stamp honouring the late Dr. John Humphreys will be unveiled by Canada Post. This stamp will pay tribute to a great Canadian who made an unparalleled contribution to the international human rights community.

In 1945 after the world had witnessed the atrocities of World War II, Dr. Humphreys along with Eleanor Roosevelt drafted the United Nations Declaration of Human Rights. The never before seen injustices of the Holocaust prior to and during the war gave need to find and define a new term, genocide, and to condemn it as a crime against humanity. This is but one of the legacies of the universal declaration.

Dr. Humphreys’ visionary perspective laid the groundwork for the realization of human dignity across the world for all people, whether as groups or individuals, by affirming fundamental rights and freedoms. The principles enshrined in his legacy have been adopted in national constitutions in all corners of the world. His road map is a vision for peace and humanity so that we can live in human dignity and hope for a more respectful society worldwide.

* * *

● (1115)

[Translation]

APEC SUMMIT

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, our Liberal friends, particularly the PMO and the Prime Minister himself, seem to have very special ties with the RCMP.

Whether it is the Airbus affair, Liberal Party influence peddling in Quebec, or the APEC demonstration, it is becoming clear that the PMO knew, and so did the Prime Minister.

I would like to remind the House that, far from being the Prime Minister’s own presidential guard, the RCMP is there to serve all Canadians.

Once again, when the Prime Minister knows something, we feel he should be required to level with the House.

I hope that we will not have to wait for some post-graduate research paper to uncover the whole truth of the APEC affair.

*Oral Questions**[English]***HOME RENOVATION INDUSTRY**

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Mr. Speaker, I inform the House that the minister responsible for the Canada Mortgage and Housing Corporation is announcing that October is renovation month.

This occasion is the perfect opportunity to showcase innovative techniques and celebrate the professionalism of the home renovation industry in Canada. This industry generates \$20 billion and thousands of jobs each year. We also want to ensure if Canadians decide to renovate their homes that they are successful.

This year the Canadian Home Builders' Association and CMHC will feature Canada-wide activities focusing on consumer education and protection under the theme: do it right, work with a professional renovator.

I also point out that CMHC Canadian housing information centre, the largest housing resource centre in the country, has extensive resources available to assist homeowners and renovators with their renovating needs.

When it comes to promoting national unity it is a two way street as between the federal government and all the provinces.

I do not know why the hon. member complains because the Minister of Health, as a voter in Ontario, is expressing an opinion which has already been expressed by a lot of other voters in the province.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, the minister was not speaking as an individual when he attacked the Government of Ontario. He threatened Ontario with the power of the federal government.

This is the sort of venomous, personal attack that got the minister shuffled out of the justice portfolio into his current portfolio when he carried out his vendetta against Brian Mulroney.

I wonder is the real reason the health minister blew his stack at Mike Harris yesterday because Mike Harris has shown compassion toward hep C victims and the health minister has shown none.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the people of Ontario will wonder why the Reform Party, through its whip, is using the House of Commons in a campaign to support the Harris Government of Ontario.

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, the health minister was asked if the anti-Ontario position was the formal position of the Government of Canada and he said it was the informal position. Just exactly what does that mean?

Will the federal government informally try to derail Ontario initiatives? Will it informally overcharge it for its EI fund? Or, perhaps today it will informally sabotage its efforts to build a social union.

Does the health minister really think it is right to use government resources and his influence to defeat the Ontario government's initiatives on national unity?

● (1120)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, does the hon. member think it is right for him to use the House of Commons to advance the Reform effort to create a new reformatory party?

* * *

STANDING COMMITTEE ON FISHERIES AND OCEANS

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, yesterday the Prime Minister said that the chairman of the fisheries committee asked to be removed for personal reasons. The chairman, however, has a different take. He said that he was forced out.

ORAL QUESTION PERIOD*[English]***NATIONAL UNITY**

Mr. Chuck Strahl (Fraser Valley, Ref.): Mr. Speaker, it is 11.15 in Ottawa. Whom do the Liberals want to fire today?

We certainly see the trend. Tell the truth about cost overruns on Parliament Hill and you're gone. Won't adjust your numbers on the CPP fund and you're toast. Chair a committee that criticizes the government and you're history.

Now the health minister has vowed to elevate this to a new level. He said that he would get rid of the Ontario government because it will not agree with the Liberal Party.

The Deputy Speaker: Perhaps I could remind the House that we are on questions, not on Standing Order 31 statements. The hon. the whip of the official opposition.

Mr. Chuck Strahl: Mr. Speaker, the idea that you are a omnipotent seems to be going to their heads.

Does the government really believe that declaring war on Ontario is the best way to promote national unity?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the Minister of Health is a voter in Ontario. He has a right to express his opinions.

Oral Questions

The Prime Minister said that the chairman was very happy with government policy. The chairman, however, said that he vehemently disagreed with the direction of DFO.

Can the government clear up these contradictions?

Hon. Don Boudria (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, that question is sheer and utter nonsense. The chair of the committee was never asked to resign. In any case, the report of the committee has not been concurred in. May I suggest that the hon. member's question is not even in order.

The Deputy Speaker: The hon. member must realize that questions of committees are not the responsibility of the government. I know he will be very careful in posing his supplementary question.

Mr. Gary Lunn (Saanich—Gulf Islands, Ref.): Mr. Speaker, the minister said that the member for Gander—Grand Falls voluntarily stepped down as chairman of the fisheries committee and that he was completely happy with government policy.

This is just not the case. The former chairman says he was forced out because he disagrees with the Minister of Fisheries and Oceans. Why did the Prime Minister mislead the House?

The Deputy Speaker: I think the hon. member knows that is out of order and we will deal with that later.

* * *

[Translation]

CANADIAN ECONOMY

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, my question is for the Minister of Finance.

The president of the world bank said yesterday that the G7 countries should "take measures to stimulate their economy, increase demand and rebuild confidence". Yesterday, the Bloc Québécois put the very same thing to the minister to be told its position was totally ridiculous.

Does the Minister of Finance think the position of the president of the world bank totally ridiculous as well?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what happened yesterday is that the Bloc Québécois wanted to blame the Government of Canada for the ills of the world, and that is totally ridiculous.

As regards the statement by the president of the world bank, with whom I had long discussions, I agree with it. All industrialized countries must join together to bring the Asian and Russian economies out of the slump they are in. I made a speech in this regard this week.

Mrs. Suzanne Tremblay (Rimouski—Mitis, BQ): Mr. Speaker, for the past two months the Bloc Québécois has been trying to wake up the minister. All the better to have him awake now.

More and more analysts and experts are sounding the alarm. The president of the world bank says this is the time to act, and the minister concludes he is right.

When will the minister stop talking about the Canadian economy and do something before we find ourselves in a full recession?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the government has already acted. This is why we were so quick to eliminate the deficit. This is why productivity in Canada is now on the rise.

This is why the OECD and the IMF have congratulated the Government of Canada on its efforts and results.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, I too have a question for the Minister of Finance.

The storm threatens Canada. The economy has been slowing down for the past four months, and not just in Latin America or Asia, but right here at home.

How many more months of negative growth will it take for the minister to admit that there is a problem and that urgent action is required to stimulate the economy, as the president of the World Bank has said?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, once again, I agree fully with the president of the World Bank that industrialized nations will have to co-ordinate their efforts.

That is not what Bloc Québécois members are suggesting. They are suggesting that we spend, and that we reduce government revenue. In other words, that we go back to a deficit situation. That is the worst thing we could do in today's volatile global market.

• (1125)

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, if we are to believe the Minister of Finance, things are going so well that we are only 700,000 jobs short of the number of jobs before the last recession.

Does the minister understand that, at a time such as this, the most elementary precaution requires that he take concrete action to stimulate the economy, and that his worrisome failure to do so puts our economy at risk?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there is no doubt that we live in turbulent times. That is why it was so important for the government to put its fiscal house in order the way it did.

But let us look at the results in Canada. In 1997, 500,000 new jobs were created. During the first eight months of this year, 200,000 jobs were created. The unemployment rate has dropped from 11.5% to 8.3%. Today, the IMF tells us that Canada will lead the G-7 countries in job creation.

Oral Questions

[English]

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, my question is for the Minister of Finance. He will probably be aware that President Clinton has just gone on national television to warn the nation of the dangers of the spreading global financial crisis. He is likely also aware that the chairman of Europe's largest bank has resigned in the last 24 hours over a billion dollar loss from his bank, as well as the resignation of a number of his senior directors.

I do not want the minister to go through the usual mantra of the fundamentals being in place. Could the Minister of Finance tell the House and millions of concerned Canadians what is the precise extent of the exposure of Canada's chartered banks to—

The Deputy Speaker: The hon. the Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the hon. member asks a very important question. It is one that the Superintendent of Financial Institutions has looked into.

The superintendent has assured me he is confident that whatever exposure Canadian banks have to the overall derivatives market is one well within their capacity to handle. It is something that we will monitor, and I appreciate the question.

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP): Mr. Speaker, President Clinton has summoned the finance ministers and central bank governors for a special meeting on Monday morning to discuss this growing crisis. He is also aware that the tumbling stock market puts mutual funds and a lot of the savings of Canadians at risk.

Could the Minister of Finance tell the House what is the collective exposure of the big six banks to risks associated with mutual funds and hedge funds?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, again I am assured that the exposure of our major financial institutions to the risks the member has just described is well within their ability to handle.

A number of banks are involved in mutual funds. In terms of the major hedge funds the hon. member probably saw the report where the Toronto-Dominion Bank refused long term capital, which is the hedge fund in most difficulty, because it had prudent policies in place. I am assured that is common throughout our banking system.

* * *

AGRICULTURE

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, as we all know there is a nasty trade dispute going on between Canada and the United States agriculture. In our committee yesterday a

senior trade official said that this was not unusual during state governorship elections, that this always happens.

Did the minister of agriculture not see this trade dispute coming? If he did, why does he not have a contingency plan to help save our producers?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I concur with the comments that were made by officials at committee yesterday. I also concur with the fact that every time there is an election in the United States they seem to crank this issue up in the midwestern states.

I also want to inform the hon. member that many months ago I had discussions about this very thing with the secretary of agriculture in the United States. There have been ongoing discussions. I am very optimistic that in the next few days discussions which are taking place as we speak right now will be very fruitful for the industry on both sides of the border.

• (1130)

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, the minister would probably have done just as well having those discussions with my mother as the secretary of agriculture for the United States.

As early as last night the Governor of South Dakota, Bill Janklow, said that he will not give up his dispute until the U.S. sues Canada for unfair trading practices.

Is the minister simply going to sit back and hope that Secretary of Agriculture Dan Glickman is going to solve the problem?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the manner in which we as the Canadian government have solved these problems in the past, we will solve them in the future. We will sit down at the table and we will do it.

Yes, I am confident that Mr. Janklow is not going to sue the Canadian government.

* * *

CANADA PENSION PLAN

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, it is incredible how this government treats people who get in its way. If someone disagrees with the Liberals on human rights, they get pepper sprayed. If they disagree with the Liberals on fish, they get fired, even if they are a Liberal MP. If they disagree with the Liberals on CPP, as Bernard Dussault did, they get fired and then they get sued.

My question is for the finance minister. Will tax dollars be used to pay for that case?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, if the hon. member is going to have ridiculous preambles in his question he has to expect that people will reply to them.

Oral Questions

The fact is that the Superintendent of Financial Institutions runs a separate agency and he is independent. He has made very clear the degree to which he wants to protect his independence.

There were management differences between he and the chief actuary. Under those circumstances the superintendent acted.

Mr. Grant McNally (Dewdney—Alouette, Ref.): Mr. Speaker, if the minister wants to talk about ridiculous preambles he should take a look at his answer. That was ridiculous.

It is clear that Mr. Palmer stated himself that political comments were on the table. They were involved in this and he knows it.

Because the minister did not answer the question the first time, I want to ask him once again whether tax dollars are going to be used in this case. Yes or no?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, once again, Mr. Palmer categorically denied that there was any political influence or interference.

The condition precedent to the member's question simply does not bear examination in the light of day.

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[Translation]

EMPLOYMENT INSURANCE

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister has brought in a short week pilot project, in order to remedy some of the shortcomings in his employment insurance reform.

Since the majority of seasonal workers are just about to come to the end of their peak work period, and are liable to be penalized by any additional short weeks, can the minister confirm that he will be bringing in the necessary amendments to the legislation to correct this serious problem?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Yes, Mr. Speaker. As you know, our government has undertaken an extremely important employment insurance reform, one which included a commitment to monitor very closely the impact of our reform.

That is why, when we learned that the short week situation was creating problems, in eastern Canada in particular but in other regions as well, we reacted promptly and set up the short week program, that is two pilot projects we are in the process of evaluating to see which is more effective and serves people better.

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, that does not solve the problem in the least.

When is the minister going to stop harassing people with unstable employment, and settle the problem for once and for all?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, that is what I, as Minister of Human Resources Development, and we, as a government, have been doing all along.

We are addressing the situation of those with precarious employment and that is why we have put into place the body of measures that accompany employment insurance reform, which has yielded extremely positive results in a number of regions of our country.

* * *

[English]

TAXATION

Mr. Gurmant Grewal (Surrey Central, Ref.): Mr. Speaker, small businesses create more than 85% of jobs in Canada. The Canadian Federation of Independent Business, with 90,000 members, says that the number one thing this government can do to create more jobs is to lower payroll taxes like EI and CPP.

● (1135)

Either we believe this taxman or small business. Either the money is better spent by this taxman or by businesses, workers and their families.

Why would anyone take his word over the word of small business?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, every year since we have taken office we have reduced payroll taxes. We will continue to do that.

In addition, we eliminated the EI premiums for young Canadians. At the same time we brought in a special measure to help small and medium size business in terms of the millennium bug problem. If we go through the Income Tax Act and the various measures that the federal government has brought in, there is a whole series of measures which recognize the great importance of small business.

The only question is—

The Deputy Speaker: The hon. member for New Westminster—Coquitlam—Burnaby.

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EMPLOYMENT INSURANCE

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Ref.): Mr. Speaker, the finance minister says that he will not reduce excessively high employment insurance premiums, saying that such a move relates to recession.

Why is that the case? What happened to the minister's rainy day fund? What happened to sound fiscal management?

Oral Questions

Why are the nation's finances so badly mismanaged that spending the savings of workers and employers is his only way out?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it is precisely because of what is happening in the world that we want to keep in place the caution and the prudent measures that we have put in place.

Perhaps the hon. member has been asleep for the last couple of months. There have been fundamental changes that have occurred worldwide. Russia is virtually without a government. The Japanese banking system is in great difficulty. All of these measures are impinging upon North America and ultimately the Canadian economy.

We want to make sure that the same caution that allowed us to eliminate the deficit, the same caution that saw our productivity rise, continues.

* * *

[Translation]

CANADIAN COAST GUARD

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

With his response yesterday on icebreaking, either he does not understand the matter or he could not care less.

Does he realize that the new icebreaking fee will hit port activity even harder in Quebec than elsewhere?

[English]

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the question yesterday and the one today come from the imposition of fees for ice breaking and marine aids which total approximately 17% of the actual costs of the services provided. We are attempting to make sure that those who use the services pay at least 17% of the costs. Then the general taxpayer is, of course, relieved of that.

The problem with the ports of Quebec is that to get to them vessels have to go through waters much closer to Newfoundland. Therefore, if there is ice breaking, the inevitable result is they could just ice break in the St. Lawrence, but it would not do much good because the ships would never get to port.

[Translation]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, given the devastating effect of the icebreaking fees, is the minister prepared to call for a moratorium and have an impact study done immediately?

[English]

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, we have been setting this particular proposal for the last four years. We have had intense consultations with the industry. We have re-examined this in every possible way.

The very suggestion that the member makes makes clear that the Bloc Québécois simply does not understand the importance of making sure that those who use services pay at least some measure of the services provided by the general taxpayer of Canada.

In this case they will pay approximately 17%. We think that is a good start.

* * *

EMPLOYMENT INSURANCE

Mr. Roy Bailey (Souris—Moose Mountain, Ref.): Mr. Speaker, I believe the people of Canada need this answer. My question is to the Minister of Finance.

Will taxpayer dollars be used to help in the case of the firing of Mr. Dussault? Yes or no?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there are established rules of the Public Service Commission in these kinds of conditions and those rules will apply.

• (1140)

Mr. Lee Morrison (Cypress Hills—Grasslands, Ref.): Mr. Speaker, my question is also for the Minister of Finance.

I gather from his recent reply that the answer is yes, but would he please confirm for this House that Canadian taxpayer dollars are indeed going to be used in the lawsuit against Mr. Dussault?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I am again going to say that there are established rules on how to handle this kind of thing and those established rules will be followed.

* * *

[Translation]

MERCHANT MARINE VETERANS

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister of Veterans Affairs.

On September 28, three veterans of the second world war who had been in the merchant marines began a hunger strike in a call for justice from the government.

During the review of the Pension Act and the War Veterans Allowance Act, will the minister make measures applying to veterans of the merchant marines retroactive as they would like?

[English]

Mr. Bob Wood (Parliamentary Secretary to Minister of Veterans Affairs, Lib.): Mr. Speaker, I would like to remind the

hon. member that the 1992 legislation was introduced by the previous government and supported by members on all sides of the House, including myself. The legislation was introduced by the former Conservative government and it did not provide retroactive benefits to merchant navy veterans.

I for one accept that the legislation introduced by that government was not retroactive.

* * *

TAXATION

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister for International Trade.

One of our largest trading partners, the state of Michigan, has now imposed a single business tax which applies to all companies doing business in that state, but allows American corporations a distinct advantage in that they have the right to recover the tax.

I would like to know from the parliamentary secretary what action will be taken under NAFTA to stop this blatant discriminatory action against Canadian companies.

Mr. Bob Speller (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, the Government of Canada is well aware that the state of Michigan has revised its single business tax. I want to thank him and particularly the deputy prime minister for working hard on this issue.

The Minister for International Trade has instructed our consulate in Detroit to meet with the Michigan treasury department to express to them in the strongest of terms our concern with this issue.

We will continue to work with the province of Ontario and all affected businesses to help resolve this dispute.

* * *

EQUALITY

Mr. Derrek Konrad (Prince Albert, Ref.): Mr. Speaker, last week in a joint session of the Houses of Parliament the Prime Minister honoured Nelson Mandela for having fought for the creation of a non-race based constitution and a democratic society.

What makes that a big, square pill for the rest of Canadians to swallow is that the Prime Minister was part of creating Canada's race based constitution and is creating government across this country based on race.

When will the Prime Minister admit to the hypocrisy and start to build a legacy for himself and all Canadians of racial equality?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, I think we have to categorically reject the unwarranted, inaccurate

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and false assertion that our Constitution is race based. The core is the charter of rights and freedoms which is intended to treat people on the basis of fairness wherever they live and whatever their origin in our great country.

I do not know why the Reform Party is unwilling to support our Constitution inside and outside our country. Look at what the leader of the Reform Party said when he made his trip outside the country when the House was adjourned.

* * *

ABORIGINAL AFFAIRS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, recently the Indian affairs minister travelled to the Alexander reserve in Alberta and declared it as an ideal type of reserve and the way that reserves ought to operate.

I more recently went to the same reserve. I visited the homes of many grassroots natives. They were sitting on apple crates and tree stumps. Their homes do not have electricity or running water. There are holes in the roofs and there is poverty. There are third world conditions on these reserves and this government will not recognize it.

When is this government going to get out of its ivory tower and demand that the chiefs and councils be accountable to grassroots natives across this country?

• (1145)

Mr. David Iftody (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I thank the hon. member for his question and his renewed interest in the welfare of aboriginal people in Canada.

I would only suggest to the hon. member that if he is interested in the welfare of aboriginal people, which he ought to be as the deputy critic, perhaps he could make those same suggestions to the member for Skeena who keeps opposing the Nisga'a deal.

* * *

AGRICULTURE

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, as the global economy teeters on the edge and commodity prices plummet, farmers are feeling pretty cynical and very nervous. Farm prices are dropping and fear is rising. Farm incomes are falling by as much as 40% this year and farm leaders are pleading with the minister of agriculture to help. Farmers want to know if he is listening.

What is the minister of agriculture prepared to do to stem the looming crisis facing Canadian farm families?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, we are doing a lot of things in that we are

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assisting the agriculture and agri-food industry to find markets for their products not only in Canada but on the international scene as well. We are managing with them in co-operation with the producers, provincial governments and the federal government the best safety net system that any farm group has in the world.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, NISA right now covers one month's expenses for the average farmer while the U.S. Congress is debating an extra \$7 billion to help its farmers. U.S. and European farmers receive massive support from their governments but here in Canada the Liberal government has killed the Crow rate, has gutted the rail system and slashes farm support by over two-thirds. Farmers want backbone, not backdown.

Will the minister of agriculture stand up for farmers and bring forward a farm aid package quickly? Will he assure that it is more than just a band-aid on a hemorrhage?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, farmers already know that the package is there. As a matter of fact, in the net income stabilization accounts alone there is \$2.5 billion. In a conference call on this and a number of issues, the farm leaders in the member's part of the country just two days ago advised me not to go into ad hoc payments, we need the strength of our industry and to use the safety net system that is there already.

* * *

GOVERNMENT OF CANADA

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, the auditor general exposed the deceitful accounting of the millennium scholarship fund and he was reprimanded. Bernard Dussault tried to tell Canadians the truth about their pensions and he was fired. George Baker tried to tell Canadians the truth about their fishery and he was fired.

Are George Baker and Bernard Dussault the latest victims of a government addicted to abuse of power? Was the objectivity and integrity of these individuals incompatible with the oppressive style of this government?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the superintendent of financial institutions has made it very clear that there were management differences between him and the chief actuary. He has also made it very clear that there was no political interference. There was no political influence. The superintendent runs an independent agency. He is very jealous of his own independence, and properly so. He acted within his own mandate.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, perhaps the superintendent was jealous of Bernard Dussault and his objectivity. I would like to know as well who is going to be paying the legal fees for the superintendent?

Another abuse of power we learn of today is that the Prime Minister was directly involved in the lawsuit, the witch hunt against former Prime Minister Brian Mulroney. The Prime Minister quashed an offer made to Mulroney to settle out of court. When the former justice minister wanted to apologize to the former prime minister, the Prime Minister said no.

Will the Prime Minister apologize for his petty partisan and pathetically political attack on former Prime Minister Brian Mulroney or was this simply another abuse of power?

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, the lawsuit in question was settled with the plaintiff, Mr. Mulroney, dropping his claim for damages and accepting through a signed minutes of settlement that the RCMP instituted the investigation on its own. The investigation is continuing. I think the hon. member ought to read carefully the minutes of settlement. It will show that his questions are completely groundless.

* * *

• (1150)

FORESTRY

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The forest industry in Ontario, B.C. and Alberta has expressed grave concern about the recent decision in the Sunpine case, a case involving access to timber resources. This decision could very negatively impact the forest industry. Will the minister be taking action on this very important matter?

Hon. David Anderson (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the government naturally wants to have thorough environmental examinations. We want to make sure public involvement is at the appropriate level and we want to make sure we improve the management of the Canadian Environmental Assessment Act. It is for these reasons that I have decided to appeal the Sunpine decision. If left unappealed, the decision would undermine the discretion of federal departments to determine the scope of environmental assessments which is a very important part of CEAA.

* * *

CANADA PENSION PLAN

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the minister sure took quick action when he fired the chairman of the fisheries committee but I want to ask a question of the finance minister. He says that the rules allow the taxpayers to cover the cost of Palmer's lawsuit against Mr. Dussault. Does the finance minister think this is an acceptable use of taxpayer dollars?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, that is not what I said. I said there are rules that cover this kind of thing and those rules will apply.

Oral Questions

[Translation]

KOSOVO

Mr. Daniel Turp (Beauharnois—Salaberry, BQ): Mr. Speaker, the Minister of Foreign Affairs has expressed his sorrow at and concern over the situation in Kosovo, but is still banking on an American diplomatic mission and on discussions between his personal representative and President Milosevic, the very person who has caused negotiations to fail three times over the past six months.

Is it not time Canada called clearly for the use of armed force to put an end to the massacres, the exodus and the extermination of the Kosovar people?

[English]

Mr. Julian Reed (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I can report to the House that the Minister of Foreign Affairs met yesterday morning with the secretary general of the United Nations to express Canada's very deep concern.

I thank all the members who supported the resolution that was passed in this House. Canada stands by our NATO commitments and we are still urging the security council to pass a resolution. I expect that—

The Deputy Speaker: The hon. member for Churchill River.

* * *

BANFF NATIONAL PARK

Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, my question is to the minister of heritage. The Liberal government tells Canadians that only basic and essential development can occur at the Banff National Park. For this reason the village of Lake Louise is denied improved medical facilities, a small church and a school. But when CP Hotels wants a seven storey convention centre on the lakeshore, this government jumps to its approval. Can the minister of heritage explain why a conference centre is more essential than the basic needs of a community?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I think the member who belongs to a party that supports the integrity of Canada's national park system will understand that the government wants a plan that will keep parks for all Canadians and not turn them into residential areas.

In the Lake Louise approval we were able to recuperate 42 acres of land which would have gone to a golf course and for other activities. Instead we have put them back to nature. If the member and his party look at the overall Banff plan they will see we have a good plan to save the park for all Canadians.

[Translation]

BOMBARDIER

Ms. Diane St-Jacques (Shefford, PC): Mr. Speaker, my question is for the Minister of Transport.

Bombardier, which is located in my riding, submitted an application to the Department of Transport for the certification of a low-speed vehicle called Bombardier NV.

The NV is the first close range electrical vehicle produced on a large scale. This vehicle, which has already been certified in the United States, was recognized by the American department of energy as the leader in air quality protection.

Since I am convinced the Canadian government will appreciate the jobs created to produce this vehicle, I ask the minister whether he can make sure that—

The Deputy Speaker: The hon. Minister of Transport.

• (1155)

Hon. David M. Collenette (Minister of Transport, Lib.): Mr. Speaker, we are currently evaluating the risks associated with this type of vehicle, to determine the relevance and usefulness of creating a new category of vehicles, and to develop new safety standards.

[English]

This is a particularly good initiative that Bombardier is taking in having a small electric battery driven vehicle that could be used in Canada's cities and help with the cutting down of pollution. Our department is seriously evaluating the use of that vehicle.

* * *

CANADIAN FORCES

Ms. Sophia Leung (Vancouver Kingsway, Lib.): Mr. Speaker, concern has been raised whether the Canadian Forces assist British Columbia in case of natural disaster.

Can the Minister of National Defence tell the House what the Canadian Forces did to assist British Columbia during the summer battle against forest fires?

Mr. Robert Bertrand (Parliamentary Secretary to Minister of National Defence, Lib.): Mr. Speaker, I thank the hon. member for the question because it gives me an opportunity to talk about our fine Canadian Forces.

The Canadian Forces are a multipurpose, combat capable force. As such they are equipped and receive a broad range of training suitable for a wide spectrum of operations. They may on some occasions receive mission specific training before being deployed. This kind of training has enabled them to assist many communities across the country which have been ravaged by natural disasters over the past couple of years.

*Routine Proceedings***JUSTICE**

Mr. Chuck Cadman (Surrey North, Ref.): Mr. Speaker, a man has recently been charged for a rape committed two and half years ago while he was on bail for an earlier sexual assault. He could have been charged much earlier had the Burnaby RCMP not taken two years to report the first assault into the violent crime linkage analysis system.

I have asked the solicitor general in the past regarding problems with delays in reporting and data entry backlog for ViCLAS. Again, has he done anything and if not, why not?

[*Translation*]

Mr. Jacques Saada (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I will be pleased to look at what is happening regarding this issue and to report to the hon. member at the first opportunity.

* * *

THE ENVIRONMENT

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, my question is for the Minister of the Environment.

Yesterday, we learned that, following Bill C-14, the government now intends to use a national strategy to meddle in the area of drinking water, a matter of provincial jurisdiction.

When will the minister honour the Constitution and acknowledge that drinking water is a natural resource and therefore a provincial matter?

[*English*]

Hon. Christine Stewart (Minister of the Environment, Lib.): Mr. Speaker, the federal government is concerned about the export of bulk fresh water. We do permit for the export of bottled drinking water. That occurs with great frequency right now.

However, the issue of the export of bulk fresh water is of concern to the federal government. It is a national issue. Individual provinces do have some authority but it is in the area of a national issue as well.

* * *

AGRICULTURE

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, my question is for the minister of agriculture.

European countries and the American government are providing substantial farm aid programs for their farmers and their farm families.

Will the minister of agriculture support early next week a debate on the looming farm crisis, the agriculture crisis in this country? Will he support such a debate?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am engaged in that debate every day and if the hon. member, now that he has an interest in it, wishes to participate in that debate I would welcome his contribution at any time.

* * *

[*Translation*]

AIRBUS AFFAIR

Mr. André Bachand (Richmond—Arthabaska, PC): Mr. Speaker, new allegations are pointing to the involvement of the Prime Minister and his cabinet in the Airbus affair.

A few words suffice to describe the Airbus and the APEC affairs: misuse of political power.

Is the Prime Minister aware, yes or no, of the RCMP investigation prior to November 18, 1995 and does he continue to deny having conversations with his Minister of Justice about the Airbus affair?

• (1200)

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, Mr. Mulroney's response, as expressed through his lawyer, is clear. When they signed the document—

[*English*]

When the minutes of settlement were signed in Mr. Mulroney's lawsuit, it says very clearly the parties accept that the RCMP on its own initiated the Airbus investigation. This was signed on behalf of Mr. Mulroney. Certainly if he was willing to have this signed, this should answer the matter.

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATIONS

The Deputy Speaker: Pursuant to Standing Order 34 I have the honour to present to the House in both official languages the report of the parliamentary delegation that visited Germany from June 2 to 28, 1998.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I have the honour to present the 38th report of the Standing Committee on Procedure and House Affairs regarding the membership and the associate membership of some standing committees of the House.

[Translation]

If the House gives its consent, I intend to move concurrence in the 38th report later this day.

* * *

[English]

CANADA ELECTIONS ACT

Mr. Nelson Riis (Kamloops, Thompson and Highland Valleys, NDP) moved for leave to introduce Bill C-437, an act to amend the Canada Elections Act.

He said: Mr. Speaker, I am delighted to introduce this bill today. This bill has to do with people in Canada 16 and 17 years old who are not able to vote in national elections. At age 16 people can join the armed forces, drive vehicles, participate in party conventions to select leaders of political parties and participate in the development of policy.

In countries where the voting age is 16, I am pleased to say that the participation rate is exceedingly high. This tells us that given the opportunity, young people will participate in the political process even more than their parents.

This private members' bill is an effort to lower the voting age from 18 to 16 years for national elections.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I move that the 38th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to)

* * *

PETITIONS

ADOPTIVE PARENTS BENEFIT

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have a few petitions.

The first one is signed by hundreds of people from my riding. It calls upon parliament to end the discrimination against adopted children by reinstating the adoptive parents benefit that was eliminated in 1991, thereby equalizing the benefits received by biological and adoptive parents.

• (1205)

YOUNG OFFENDERS ACT

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the second petition, again signed by hundreds of people

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from my riding of Esquimalt—Juan de Fuca, calls upon parliament to enact legislation to repeal the Young Offenders Act and replace it with an act that will provide adequate penalties to protect society and at the same time to work with the provinces to implement prevention programs such as a national head start program and address the root causes of crime.

NATIONAL HEAD START PROGRAM

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have another petition again signed by hundreds of people from my riding of Esquimalt—Juan de Fuca and elsewhere in British Columbia.

The petition calls upon parliament to enact legislation to implement in conjunction with the provinces a national head start program for parents and children that would concentrate on the critical childhood formative years and give children the necessary building blocks to become responsible productive adults. This national initiative would focus on preventing crime and reducing socially unacceptable behaviour in society and I concur.

The Deputy Speaker: The hon. member for Esquimalt—Juan de Fuca is an experienced member. He knows he is not to express his concurrence or otherwise in respect to petitions he presents but to give a brief summary. I know it is useful to remind hon. members of the rules once in awhile and perhaps over the summer he forgot.

PUBLIC SAFETY OFFICERS COMPENSATION FUND

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have three petitions. The first has to do with our police officers and firefighters. It is signed by a number of Canadians, including some from my own riding of Mississauga South.

The petitioners draw to the attention of the House that police officers and firefighters are required to place their lives at risk on a daily basis as they discharge their duties. Often the employment benefits they have do not provide sufficient compensation to their families when one of them loses their life in the line of duty. Further, the public also mourns the loss of our police officers and firefighters killed in the line of duty and they wish to support their surviving families in a tangible way in their time of need.

The petitioners therefore ask parliament to consider establishing a public safety officers compensation fund for the benefit of families of public safety officers who are killed in the line of duty.

LABELLING OF ALCOHOLIC BEVERAGES

Mr. Paul Szabo (Mississauga South, Lib.): The second petition, Mr. Speaker, has to do with health warning labels on the containers of alcoholic beverages.

The petitioners draw to the attention of the House that the consumption of alcoholic beverages may cause health problems. Specifically, fetal alcohol syndrome and alcohol related birth defects are 100% preventable by avoiding alcohol consumption during pregnancy. Further, consumption of alcoholic beverages

Government Orders

impairs one's ability to operate machinery or automobile equipment.

The petitioners therefore call upon parliament to require health warning labels to be placed on the containers of alcoholic products to warn expectant mothers and others of the risks associated with alcohol consumption.

HUMAN RIGHTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the final petition is on the issue of human rights.

The petitioners, in this year marking the 50th anniversary of the UN Universal Declaration of Human Rights, would like to draw to the attention of the House that Canada is internationally recognized as a leader in promoting human rights around the world and that human rights abuses tragically continue in many countries around the world, including Indonesia.

The petitioners therefore call upon parliament on behalf of the Government of Canada to appeal for action by leaders of countries where human rights are not being protected and to seek to bring to justice those responsible for the violation of internationally recognized universal human rights.

THE FAMILY

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Mr. Speaker, I have a petition from several dozen constituents of mine from Elliot Lake. They request that parliament support a motion concerning the rights of parents vis-à-vis the rights of the child and that all such matters take into consideration all members of the family.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Mauril Bélanger (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I would ask that all questions be allowed to stand.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

[English]

COMMITTEES OF THE HOUSE

FINANCE

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, there have been discussions among all the parties and I believe you would find unanimous consent for the following motion. I move:

That the Standing Committee on Finance be allowed to travel across Canada, from October 4 to November 10, 1998, in relation to its prebudget consultations and its consultations on the recommendations of the Task Force Report on the Future of the Canadian Financial Services Sector and that the necessary staff do accompany the committee.

• (1210)

If I might, I would like to add a brief explanation to the working schedule of the committee as it was understood by agreement by the whips of all parties.

[Translation]

The committee will table a final report in early December on the pre-budgetary consultations, at the same time as a preliminary report on its examination of what is commonly known as the MacKay report.

That examination will continue throughout February 1999, with hearings to be held here in Ottawa. A final report on the MacKay report will then be prepared for tabling in March 1999.

I thank my colleagues, the whips of all parties, for their co-operation in this matter.

[English]

The Deputy Speaker: Does the chief government whip have the unanimous consent to propose the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

CANADA SMALL BUSINESS FINANCING ACT

The House resumed consideration of the motion that Bill C-53, an act to increase the availability of financing for the establishment, expansion, modernization and improvement of small businesses, be read the second time and referred to a committee; and on the motion that the question be now put.

Mr. John Solomon (Regina—Lumsden—Lake Centre, NDP): Mr. Speaker, I am pleased to stand in this House today to provide some comments with respect to Bill C-53, the Canada Small Business Financing Act. This act will increase the availability of financing for the establishment, expansion, modernization and improvement of small businesses in Canada.

At this point we are also debating the motion of the Liberal Party to cut the debate short. This is a very serious matter that the government has implemented.

Government Orders

We see two political parties in the House of Commons playing games.

The Reform Party wants to kill the bill. Reform Party members time after time, speaker after speaker, whether they are from British Columbia, Alberta, Saskatchewan or Manitoba, stand in this House and say that small businesses do not deserve fair financing opportunities for their progress. Reform Party members time after time from every province they represent, the four provinces in western Canada, say that this bill is bad and that they want to kill it.

This bill will affect about 200,000 businesses over the next number of years.

The Reform Party is playing what many people describe as silly games. The Liberal government in response to silly games jumps right in feet first and plays sillier games by ending the debate, closing or limiting the debate on this bill which is very important to small business owners and employees of small businesses in this country. The NDP is really quite unhappy that both of those political parties are playing games with the futures of these businesses and the families that are supported by them.

As well, we have seen the Liberal Party time after time limit or close debate on matters that are of economic importance to our country. We have seen it invoke closure so many times in this House I have lost count.

• (1215)

We have seen it invoke closure on the wheat board act, which was supposed to be an act that encouraged debate and provided opportunities for members of parliament to strengthen the wheat board. Instead, the Reform played its silly games. The Liberal government jumped right in and played more silly games, ending in a wheat board act that is not as strong as it should have been if it had full debate in the House of Commons.

We have seen the Liberal government opposite limit debate on very important budget bills because the Reform Party played silly games. The Liberal Party gets sucked in. It embraces these silly games and plays sillier games. We have seen it cut debate on the World Trade Organization legislation.

The World Trade Organization has handcuffed Canadians but not Americans to the detriment of agriculture in this country, to the detriment of many small, medium and large enterprises in this country. We are seeing firsthand in Canada this week the effects of limiting of debate on the very bad World Trade Organization legislation.

Today we see one more silly game by the Liberals, and the Reform Party is embracing silly approaches to the business of the nation. I believe that both parties are negligent in their responsibil-

ity to the taxpayers of the country. They are negligent to the small business community because they do not want full debate or full discussion on the bill. The Reform Party not only does not want debate. It does not want the bill. It does not want to have any small businesses left in the country.

When it comes to business people viewing the Reform Party's real agenda, its big business, anti-small business agenda, the Reform Party will pay very dearly for that come the next election. The Liberals will not benefit from that because they are the ones who are inciting the Reform Party to play these stupid games.

I am from Saskatchewan. In part I share the comments of the member of parliament for Souris—Moose Mountain, a Reform member from Saskatchewan. He is concerned about the agricultural problem in western Canada and in our country. I am very concerned about this serious matter. I have had calls from and discussions with farmers and their families over the last number of weeks. Farmers in Saskatchewan and in other parts of the country are in desperate straits.

We have seen commodity prices fall. We have seen the incomes of farm families falling. Many predict that they will fall by about 40% this winter alone. What this means is that one-third of the farmers who are basically operating on a very tight margin could potentially lose their farms.

What do we have here? We have a Liberal government and a Reform Party that are killing debate on a small business bill. They do not allow for wide-ranging debates and inputs from the House of Commons on the agricultural farm aid packages which are necessary. One of the key issues for us in the House is not just small business and financing for small business but making sure that our farm families have at least equal support from our national government.

We are the only country in the OECD that does not have a national agricultural policy or a program to assist our farmers. When the Liberal government eliminated the Crow benefit we were told that it was according to requirements of GATT and the WTO.

I went to the Council of Europe in Strasbourg, France, and raised the issue with farmers and farm members of parliament from 36 European countries that subsidize their agricultural needs and farm families. I said that the Liberal government in Canada was eliminating the Crow benefits, a farm agricultural transportation subsidy, because of the WTO. I asked whether they were to eliminate subsidies in their countries which, by the way, total about 60 cents on the dollar for European farmers from their governments. We total about 2 cents on the dollar in Canada.

They said that GATT and WTO gave them five years to address their subsidies to farmers. The Liberal government eliminated these subsidies at the first possible opportunity. We are seeing not just farmers going bankrupt in record numbers. We are also seeing

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the transportation system being ripped apart by the government as well.

• (1220)

However, these European parliamentarians and the agriculture committee of the Council of Europe said that under no circumstances would they abandon their farmers to benefit the United States of America in its need to have reduced subsidies for other farmers except its own.

It has been three years since I have spoken to these politicians in Europe. They said their subsidies were intact but their farmers were still suffering but not as much as farmers in Canada because they have a basic support package from their national government and our government does not provide one.

I believe Bill C-53 is a work in progress. It should be forwarded to the standing committee on industry for a detailed review to make sure that small businesses have an opportunity to access funding.

We have heard representations from the small business community and some of their representatives such as the Canadian Federation of Independent Business and others saying that one of the important requirements of small business is access to capital.

We are very concerned that small business continue to have access to capital. The bill will provide small businesses with an opportunity to obtain some guaranteed loans which will be totally financed by the businesses in question. This is not a subsidy program but a loan guarantee program which I feel is very necessary, particularly for the small business community.

I will raise a couple of concerns about the bill. It is basically an update of the Small Business Loans Act, the SBLA, which has been very successful over the years because businesses can apply directly to an authorized lending institution for a loan and their requirements can be met with respect to the SBLA and now the new Canada small business financing act, the CSBFA.

The basic parameters of SBLA are not changed in the bill, according to my information. There will still be asset based debt financing to businesses with less than \$5 million in annual sales. The loans will remain capped at up to \$250,000 per business. There will be a maximum amount eligible for financing, which is 90% of the cost of assets. There will also be a one time registration fee of 2% which is paid to the government to apply for this loan once it is accepted. The loan period will remain pretty much static.

This initiative by government is important to small business because 30,000 firms apply each year under the program. It is not \$250,000 per approved application. It actually averages to around \$68,000 per loan. For some people that may not sound that large,

but we have to understand that there are some very interesting structures in the Canadian small business area.

For example, Thompson Lightstone & Company Limited just completed a study in 1998 with respect to small business. It found that two-thirds of small and medium enterprises report annual sales of less than \$500,000 a year. Thompson Lightstone also reported that 49% of all businesses report sales of less than \$250,000 a year. This is up from 43% the previous year. From 1997 to 1998 we saw an increase from 43% to 49% of all businesses with less than \$250,000 a year in sales. This study also showed that small and medium enterprises employed on average only seven full time people.

The Reform Party is trying to kick the heck out of small companies that are trying to create jobs and trying to sell services and products in this country and abroad. Yet it expects in return support from the small business community. The small business community will be quite interested in its comments with respect to the bill and to small business. They will be distributed across the country by all members of parliament who support some kind of financing mechanism for small business.

• (1225)

Another point I want to make is that the Canadian Federation of Independent Business did a study of its membership. There are between 70,000 and 90,000 members, depending on the year. However, 27% of CFIB members believe that the availability of financing is a problem. If the bill is killed by the Reform Party 27% of all existing businesses will be concerned because there will be almost zero availability for much of their financing problems.

This figure does not quite jibe with the Lightstone statistics. Lightstone says a top of mind issue of small and medium enterprises is about 10% but that is because when the CFIB poll its members it gave them a choice of about 10 issues: which of these 10 issues are important to you and are first at mind?

The Lightstone polling is more of a cold random sample. It calls up small business people who are very busy trying to do their jobs and keep their businesses going. They are caught on the phone and have to answer these questions. The first thing that comes to the minds of most business people is that they need more customers and more revenues. This is very important, but in terms of key issues facing the viability of small business 27% is a number which has been consistent throughout the years in all the research I have seen.

The Lightstone report also provided interesting information with respect to businesses. Lightstone said that 18% of the hundreds of thousands of small business enterprises used an SBLA type of loan guarantee and another 6% used some other form of loan guarantee,

be it a provincial government or a federal government loan program.

Some 26% of small and medium enterprises are rural based. The member for Souris—Moose Mountain indicated earlier that agriculture was a problem and that it would not really help the business community in his riding. He made a good point, but I do not think he understands that 26% of these small and medium enterprises are rural based.

The most important statistic I find with respect to the breakdown of businesses and where they operate from in the Lightstone report is the figure that 28% of all small businesses are home based. That is a tremendous figure. It is a huge figure which is backed up by Statistics Canada in its national registry.

The Reform Party is attacking home based enterprises and other small and medium enterprises by cutting off any opportunity they may have for obtaining loan guarantees, which I remind members are basically self-funding and self-financing from the business community that uses them.

Some may argue that the auditor general had some concerns. Yes, indeed the auditor general had some concerns with respect to the Canada Small Business Loans Act. I happen to have some comments from the auditor general in this regard. He was very concerned about the accountability of some of these loans. He was very concerned about how some businesses were abusing it with the co-operation of certain financial institutions. He had some other concerns in terms of auditing and keeping track of the numbers and the government's potential liability.

These concerns are legitimate and I think all members of the House would support them. The bill should be referred to committee so that these concerns could be raised one more time and the government could provide assurances in the bill at committee that the auditor general's concerns will be addressed and that the very minor abuse by financial institutions and by some businesses alike will be addressed and cleaned up.

We see in the SBLA program that 177,000 new loans from 1993 to 1997 were approved with loan guarantees. The total was about \$11.2 billion, a significant amount of money.

• (1230)

We in the New Democratic Party have other concerns to raise with the House. The concerns are more related to the pilot projects the bill is going to undertake. Two pilot projects are proposed. One is to extend the program's guarantee to cover capital leasing and the other is to improve the voluntary sector as eligible borrowers. We are concerned about the design of these projects. We would like to raise with the Treasury Board minister and the Minister of Finance our concern that it becomes a regulatory process in terms

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of approving these loans. They are not as transparent as they should be. The auditor general has indicated that there should be some transparency in approving these loans certainly with respect to the regulation thereof.

There is cost recovery under this program. We believe that if there is a cost recovery component in these regulations the act will be very beneficial to small business. The CFIB has some concerns about capital leasing. It is concerned that the \$250,000 limit is quite high. It is concerned as is the auditor general about larger firms beating the system. It is concerned that the data collection and the monitoring are poor and should be improved. We want to see this bill referred to committee so we can raise these matters on behalf of small business and others.

We feel along with the CFIB that there may be some politicizing of this bill in particular as we are providing the volunteer sector with access to the SBLAs. The volunteer sector is a very important sector in this country. It benefits by receiving charitable donations and other donations which are tax supported through the tax system. We are concerned this is just one more way of saying to the volunteer agencies that we are not going to provide any more funding to you but we will let you borrow money through guarantees in the government.

We want to see this bill referred to committee for further study. We want to make sure home based businesses, first nation people and women are not excluded from the program. We want to make sure the banks in this country are able to discriminate between small and large businesses. We are also very concerned about the mergers of the banks and how those will affect access to capital for small businesses. The merging of the banks is economically a very dangerous situation for our country. We would like to see the mergers stopped because with respect to this bill and small business the banks have admitted they have failed in their delivery of small business financing and access to capital for small business. We want to make sure the small business community is given a fair shake in terms of reviewing capital. I look forward to discussing this bill further in committee.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I thank my hon. colleague from the NDP for his speech. However, I will correct him on a number of points. The hon. member suggests that we are somehow against the notion of this bill. Nothing could be further from the truth. The Reform Party has been on the cutting edge of providing constructive, effective and pragmatic solutions in order to revamp our economy and make it a nimble, aggressive tool for the people of Canada in the 21st century. It is unfortunate that neither his party nor the government has done as much as they could do on that matter.

The member alluded to what the auditor general mentioned. These were not just small concerns. They were large concerns, concerns of accountability. The auditor general said very clearly that 90% of the loans in the act would already have been made by private sector banks and that there was no need of money from the

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government. In other words, the taxpayer did not need to subsidize loans to the private sector. In this era of declining resources and a lack of money on behalf of all governments to provide for programs we already have, we are opposed to the taxpayer subsidizing the private sector on loans it would already be getting.

• (1235)

In effect the taxpayer is subsidizing the banks.

I would like to ask my hon. friend and colleague whether he will join with the Reform Party in holding the government to task to make sure this act is going to ensure the monies available are going to small businesses that would not normally get a loan from the bank and that accountability is put into the system so monies will be invested in such a way that they come back to the taxpayer and we have an ongoing replenishment of the cycle. This is what the Reform Party is very much in favour of.

Mr. John Solomon: Mr. Speaker, I thank my colleague for this question.

One of the concerns we have in the New Democratic Party is the same concern he has and the same concern the auditor general has, to make sure the abuses that have been taken with the SBLA program are eliminated, the abuses larger businesses have been instrumental in participating in, the banks in a co-operative sense helping them abuse the system. These should be addressed and terminated. That is why we want to see the bill sent to committee, to make sure these points are raised, that there is clarification and that there is no opportunity in the future for abuse to take place such as this. I agree with the member on that.

The NDP believes that a government has to be accountable, that a government has to be responsible and that a government has to deal fairly with the people it governs. We have proven this for 37 of 52 years in governing the province of Saskatchewan.

In Saskatchewan we have been re-elected time after time on these three principles because we do not just preach but we take action and implement the programs that Liberal-Tory-Reform coalitions do not support.

Saskatchewan had 11 consecutive surplus budgets under the NDP government of Allan Blakeney, no debts at all in the province of Saskatchewan, free dental care for children 18 years of age and under, the lowest tax rate in the country, the lowest unemployment rate in the country, an almost free drug prescription program in the seventies and early eighties.

We have seen the Reform style governments of Mr. Grant Devine take all those programs, eliminate them, drive our province into \$16 billion in debt for one million people. Some Reformers in

the House of Commons were supporters of Mr. Devine. They are now saying they are going to be accountable and responsible. I do not think one person in Saskatchewan believes that to be the truth.

The member for the Reform Party may not agree with this. I ask the Reform Party members from Alberta and British Columbia to talk to people from Saskatchewan who have experienced the Reform style government of Grant Devine which promised and implemented the same promises they are blaming for their economic solutions and who butchered our economy.

This small business Bill C-53 deserves full debate. It does not deserve silly games that the Reform Party like to play with it. Business is business in this country. Business is serious. Business supports families. Business creates jobs. It is my view that when this bill gets to committee we will be able to discuss this fully and have the Reform Party put forward its recommendations that Grant Devine put forward which proved to be total and utter failures.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I am very interested in the comments of my hon. colleague.

I would like to tell members a little story. I was talking to a businessman who runs a small sawmill in British Columbia not far from where I live. He said that when the NDP took over the government in British Columbia he had \$200,000 in the bank. He said that of course is long gone. He said that after this NDP government last year he had a really good year. He lost only \$10,000. This is what the NDP has done to British Columbia.

• (1240)

The Small Business Loans Act is an important piece of legislation. It is to support small business people, entrepreneurs who are trying to create business, opportunities and employment in Canada. But it takes the initiative of the government, it takes the support of the provincial government and it takes the courage of the entrepreneurs to do this.

Part of the difficulty with this bill as the auditor general has pointed out is that there are too many conflicting ideas about how many jobs it is creating and the government overestimates this. He also has said that this bill is supporting the lending institutions probably more than the small business people and I believe this should be rectified.

I would like to ask the hon. member, in light of what is happening in British Columbia, how his socialistic premises are going to improve the opportunities of small business people when governments like the New Democratic Party government in British Columbia have done everything that they can to bring small business and big business to its knees.

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Mr. John Solomon: Mr. Speaker, we have seen firsthand in Saskatchewan a Reform style of government.

Mr. Philip Mayfield: How about British Columbia?

Mr. John Solomon: If the member will give me one moment to answer the question. He has given an example of one business that has lost \$10,000 and that is very sad. I was very thoughtful and listened to his question and he does not want to do that because he knows that he has a real problem. There is an old saying in Saskatchewan with respect to what Reformers are yipping and yapping from their seats on. When you throw a rock in the dark and you hit a dog and a dog yelps, you've hit a dog.

That is what we have here. We have hit a dog because we have seen the policies of the Reform Party in Saskatchewan in 1982 to 1991. They promised fewer taxes, fewer services, less government. We have higher taxes, low services and huge debt. People in Saskatchewan were so ticked off with the Reform Party that it does not exist any more provincially. It abolished itself.

Only 18 Reform members of the legislature under the Devine Liberal-Reform coalition ended up being charged and found guilty with respect to how they governed the country. I believe that is the proof of the pudding. When we get Reform style governments governing and 18 of them are charged and found guilty as a result of their activities in delivering governments in the province they can deliver, that is the proof of the pudding.

Mr. Ken Epp: Mr. Speaker, on a point of order, I believe this member is very close to imputing improper motives to fellow members of the House. That is against the rules of this House. I would ask him to withdraw that.

The Deputy Speaker: I did not hear the hon. member imputing motives. But perhaps he could clarify the situation for the Chair. Perhaps the hon. member for Elk Island could tell us what was imputing motives. I thought the hon. member was discussing problems with the government in Saskatchewan, not with the government here.

Mr. John Solomon: Mr. Speaker, I am a businessman by profession. I was in business for six or seven years. There was a saying in Saskatchewan under the old Reform style government of Grant Devine. How do you start a small business in Saskatchewan under the Reform style government of Grant Devine? Every business person in the province was saying at that time you start a big business and you wait a year under the Reform style policies. That was the result of the Reform style government of Grant Devine.

These people are really concerned about being associated with Mr. Devine, but they were and they are. I do not begrudge them the fact that they want to duck that relationship that has been proven through membership cards in Saskatchewan that many of the

supporters of the Reform Party in Saskatchewan held. They do not want to be associated with that. That is fair game. They can duck that as they see fit. But the record shows very clearly that the Reform style government of Grant Devine in Saskatchewan in the 1980s was clearly a bad government. I would hope that the Reform Party members have learned a lesson from that and apologize to this country for the disgraceful performance of their government in the 1980s.

• (1245)

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I will try not to be quite as partisan as the last two speakers who rose to speak to Bill C-53, the the Canada small business financing act. Perhaps later on I will explain to the hon. member from the NDP that there are provincial governments across this country which do have the proper policies in place to encourage small business.

Make no mistake about it. Small business is the backbone of the Canadian economy. It is the small businessmen, the small business-women and small businesses themselves which hire people and give them the opportunity of having employment in our economy.

It is those small businesses which have to be assisted in some fashion in order to identify and achieve the necessary working capital and the operating capital that is required to develop and start a small enterprise or a medium enterprise, referred to as SMEs.

As a matter of fact, it was the 1961 Progressive Conservative government of John Diefenbaker which introduced the first legislation concerning small business, the Small Business Loans Act. For over 37 years it has helped small businesses achieve those finances that are absolutely required to put them in place and help the Canadian economy.

Quite frankly, I should say off the bat that the critic for our party, the hon. member for Markham, obviously agrees in principle with the legislation that has been put forward.

However, there are, as there are in every piece of legislation, problem areas. At committee stage it is hoped that the amendments which will be put forward by the opposition parties will be listened to logically by the government because, quite frankly, no government has a lock on ideas on how to make legislation better.

Logical amendments that should be put in place will come forward in committee to make this piece of legislation better.

First I want to talk about small business in general. Perhaps the hon. member from the NDP, who attacked other provincial governments and policies which they have put in place, may well want to listen to this.

In the province of Manitoba small business is appreciated for what it really can do. Let me give some ideas and examples of

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what has happened in my province just recently in developing what I consider to be a business friendly environment, something which has not happened, as was mentioned earlier, in the province of British Columbia. In fact, businesses are being chased away and are leaving in droves the province of British Columbia to go to other business friendly environments.

Let me talk about the environment in Manitoba which now has, if not the best, one of the best economic opportunities of the last century.

Part of the business friendly environment involves taxation. Taxes in the province of Manitoba have been reduced.

Workers' compensation assessment rates have fallen by 22% since 1988, the time of an NDP government, and will fall a further 5% in 1999. A regressive payroll tax has been reduced in the province of Manitoba.

The payroll tax exemption has increased from \$100,000 to \$1 million. That means that small businesses which have a payroll less than \$1 million will be exempt from a regressive payroll tax in Manitoba.

The payroll tax rate will decline from 2.25% to 2.15% in 1999 which means that those businesses whose payroll is over \$1 million will pay less in payroll taxes in 1999 than they do currently. That is another reduction of a regressive payroll tax.

• (1250)

The capital tax exemption has risen from \$1 million to \$5 million which means there is a reduction in capital taxes to small business enterprises. That makes it much easier for those enterprises to do business in the province of Manitoba.

The retail sales tax has, since 1991, been applied alongside the federal GST. It was previously applied on top of the federal manufacturers sales tax. We do not have to go into the benefits of the GST, which removed a very regressive manufacturers sales tax and which made our ability as Canadians to compete with international markets much easier and much better. This tax was implemented by the Progressive Conservative government and then embraced by the existing government, which said "We will scrap the GST". The GST was not scrapped and is now an unnecessary evil.

Electricity used in mining and manufacturing activities in Manitoba is now sales tax exempt. I wish the NDP government of British Columbia would listen because these business friendly improvements were made in the province of Manitoba to increase, not decrease, the economy of the province.

When we talk about small and medium enterprises it is necessary to recognize that they are the economic backbone of our country. The people who we see walking in the streets are the people who

are employed by these corporations. These people pay substantial taxes to the federal government. I mention this because the government not only has an opportunity under Bill C-53 to make it easier for small and medium enterprises, it could also make it much easier for those same enterprises if it would embrace the concept of less taxation.

There is a prime opportunity before us, which is the reduction of EI premiums. Over the last two weeks in the House we have talked about what should happen to the \$19 billion surplus in the EI account. We have heard from the government that the surplus is going to be used in whatever way it sees fit, for education or health care or whatever.

The government has a responsibility to look after education and health care. It has done a very poor job by reducing by \$6 billion the transfer payments that should be put into those services which Canadians wish to have. That does not mean that the moneys that came from the EI fund, an insurance fund, should be used for those purposes. The law states that when there is a surplus the surplus should be returned to those people who invested in the fund.

The EI premium for employers is \$3.78. The break-even rate that has been calculated for the EI employment premium contribution is \$2.58. Currently \$3.78 is being charged per \$100 of earnings. A reduction of \$1.20 could be put in place now for employers.

What are we talking about in Bill C-53? Small businesses which employ people. Reducing EI premiums would be a way to allow dollars to go back into those businesses. It would allow those same owners to hire more people, to produce more product, thus enhancing our economy. Not only does this apply to the employer. EI premiums for employees are currently being charged at \$2.70 per \$100. The break-even rate for employee EI premiums is \$1.83.

• (1255)

EI premiums for employees could be reduced to \$1.83. But no, the government likes to have a \$6 billion to \$7 billion annual surplus, raised from the taxes of not only the employees but the employers. Now the government has the opportunity to use it as a slush fund for wonderful political projects which, quite frankly, do not do one iota of good for the small businesses which are paying all those costs.

Not only is it unfair, I believe that under the act it is illegal. I am sure the Minister of Finance and the government will change that in order to use that money as a slush fund.

We have a necessity to assist small and medium size enterprises. Right now we have this piece of legislation before us. It is good legislation because it was put in place by a good government in 1961. However, legislation has to be adapted as the years go by. Things have changed over the last 37 years and we have to adapt.

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Unfortunately the government has not adapted quite enough with Bill C-53. Having it go to committee is the right thing to do. But the very right thing to do is to have the government listen when it goes there, to have the government listen to very good amendments from the Progressive Conservative Party so that we can make this legislation better.

Let me give one example of an area where the government does not have the vision to look forward to how business should be done in the future. I am talking about the knowledge-based industries. If members of the government or members of other opposition parties actually talked to their constituents, their businesses and the people, they would recognize that achieving working capital and operating capital for a nuts and bolts business is easier than achieving that same capitalization for a knowledge-based industry because with a knowledge-based industry the asset is intellectual.

It might be difficult for government to understand that. I can appreciate that, but I am sure that in committee we will be able to lay it out in simplistic terms so that it will understand that with the intellectual asset requirement in small businesses we have to change the way we do business.

The Minister of Industry has actually stood in this House and said that he embraces the knowledge-based industries. But there is nothing in Bill C-53 that will achieve that. What we have to do is make sure that the government recognizes that and adds to this piece of legislation the ability for intellectual properties and knowledge-based industries to be treated equally, as are other types of small businesses trying to achieve the necessary working capital for their industries.

As I said at the outset, we agree in principle with Bill C-53. However, we would like to see some of those necessary changes. There are some minor changes and there are some major changes, as I mentioned, concerning intellectual properties.

This is only one small part of what it takes to achieve success for our small businesses. I would like to suggest very strongly that it is necessary not only for the Minister of Industry to make the changes, but for the Minister of Finance to make the necessary changes to make sure that we are successful in keeping this very vital part of our society in business.

The member from the Reform Party talked about the agricultural sector. I, too, am very familiar with that as I have been very familiar with small business for most of my working life. There is no doubt and no question in my mind that the agricultural industry in this country right now is being adversely affected by a number of factors.

One obviously is the major global economic downturn, particularly in Asian markets. Agricultural industries are also being

affected by an ineffectual government. We must ensure that trade deals which have already been negotiated are complied with. It is not happening, as we see now in the northern states of the United States. In fact governors, unilaterally, are suggesting that we are not complying with our own rules of trade, which is not the case.

• (1300)

The government of the day is ineffectual in making sure that those states comply. It is affecting my producers and our country's agriculture industry. That is only another part of how this government has unfortunately neglected small business in the agriculture industry.

We can talk about a number of other things with respect to agriculture but at this time I will suggest only one thing. We would like to see the government have an open mind when this legislation comes back to the House and when it is dealt with at the committee level. Our critic, the member for Markham, will be at the committee table. I hope the government will listen with an open mind.

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I do want to thank my colleague from Brandon—Souris for support in moving this bill to committee as quickly as possible.

The one comment I wanted to make is to correct something my colleague from Esquimalt—Juan de Fuca made in response to the previous speaker. He was talking about the number of loans that might or might not have been made without the Small Business Loans Act. I believe the figure he referred to was 90% that would have been approved even without the act being in place.

All members of parliament received some documentation from the Minister of Industry on Bill C-53 entitled "Meeting the Changing Needs". In that document there is an item about incrementality, in other words, measuring the extent to which loans made under the program would not have been made at all or would have been made under less favourable terms in the absence of the SBLA program.

I just want to quote from the document. "While incrementality is difficult to determine, studies have shown that under a broad interpretation, as many as 86% of loans guaranteed under the program since 1995 are incremental". This means that either these loans would not have been made at all to the small businesses concerned, and that is 54% of firms, or they would have been made under less favourable terms, and that applies to 32% of firms applying.

I just wanted to have that on the record. Even recognizing it is difficult to draw firm conclusions about the subject of incrementality, the latest studies that the Department of Industry had undertaken on its behalf have shown that it is a very significant program in terms of making access to capital available to small businesses.

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Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I thank my colleague from the government for his comments. I would be very interested and curious in seeing the document he presented to the House because it flies in the face of information that I have received.

I am pleased to speak on Bill C-53, the small business loans bill. At the outset I would like to say that we in this party have been very much in favour of trying to find innovative ways in which small businesses can become more aggressive in trying to meet the challenges in their need to acquire capital in order to grow and become competitive.

While we agree with the notion of this bill and its intent, we have a difficult time with parts of it. The auditor general supports our contention that there needs to be more accountability in the system to ensure that the moneys go to businesses and that there is a mechanism of determining that the money actually goes to the businesses that need it. We must also ensure that those moneys are repaid, that they come back to the taxpayers.

We found that the moneys are being disbursed to companies that would by and large already receive bank loans. In effect this bill has been subsidizing the banks. The banks do not need subsidization. They are making some pretty fat profits and have been doing so for some time in spite of the recent downturn the entire economy is facing.

On the larger issue, our legislative agenda for the next few months is about as useful as pabulum. Look at the situation in our country today. The really big issues are a plunging loonie, an economy that is in the doldrums and an international crisis the proportions of which we have not seen since the Great Depression. Our health care system is collapsing. The CPP is in dire straits. And we see issues for the House to spend time debating that have very little meaning to those grand problems that affect Canadians.

• (1305)

We need to get back to dealing with the large issues. We need to use this House in a way that we can find the best solutions from within Canada and around the world and apply them to the problems at hand.

The health care system is eroding. Canadians are in pain and are on enormously long waiting lists. The future of the CPP is in crisis. Our economy is falling apart. And we are looking at small, minuscule issues dealing with these problems if we deal with them at all. Let us get down to brass tacks. Let us get down to the real issues at hand.

An important issue that Bill C-53 deals with is the economy. We have seen the lowering dollar. There has been a consecutive decline in the the GDP over the last four months. We have an unemployment rate which is 4% higher than that of the United States. Our

productivity has declined. Our productivity was significantly lower than that of the U.S. when our dollar was 90 cents. It is still low at 65 cents.

The public may or may not be aware of this, but our dollar is declining for many reasons. Some people point fingers at the Asian flu. Some people point fingers at the Russian meltdown. The bottom line is when we point a finger at something, three fingers point back at us. It is true that some of these things are out of our control but many are within our control. There are many constructive suggestions that we can employ. The Reform Party challenges the government to employ some of these solutions.

How can we get our productivity up? The Canadian Federation of Independent Business put out a document three days ago. It articulately and eloquently shows that youth want to work but they are unable to work for many reasons. One of the biggest reasons they are unable to work are our high taxes. The government needs to reduce taxes.

There are some specific solutions that my colleagues have spoken about. We spoke about reducing EI premiums. Let us also reduce the CPP premiums. This is a provincial responsibility, but let us also look at reducing workmen's compensation premiums which also contribute to choking off the private sector. Let us also remove the existing surtaxes that crush the private sector.

There are surtaxes such as the capital gains tax. It impedes the private sector's ability to take moneys it has invested, sell things such as real estate and reinvest that money into the business. The capital gains tax restricts the movement of capital within our system thereby reducing our productivity.

The government should work with the provinces to decrease those taxes. I challenge the finance minister to bring together his provincial counterparts within the next two weeks to discuss these issues, make a plan and institute it as soon as possible. By doing this we can make ourselves more competitive, not by reducing the loonie but by dealing with the structural reasons of why our country is non-productive.

If we look at the history of the United States, the 1920s, the 1960s under President Kennedy, and the 1980s, every time there was a reduction in taxes there was a huge increase in the effectiveness of the economy. Why? There are increased savings and increased investment. There is also a greater desire to work because we know that the more we work, we will not have more money taken away from us.

We will also see a reduction in the black market, a significant problem in our country. By reducing these tax loads we will be able to reduce the black market. In 1992 under Prime Minister Mulroney we found that more moneys came into the public coffers for the reasons I previously mentioned.

Government Orders

• (1310)

We can deal with facts. Looking back in history we can see the constructive solutions that have already worked we and can apply them in 1998 to make them work for the people of our country today. I caution that this will not compromise the people who are most impoverished. It will make them more employable and will allow them to have more funds. It will rescue our social programs by making more funds available.

Reducing taxes will allow us to deal with another important structural problem, the brain drain which my colleague spoke about earlier. In 1997 we lost 46,500 of our best and brightest people to the United States alone. Compare that with 1990 when we lost 20,500. That is a substantial difference. There has been a substantial change.

Our best and brightest, the crème de la crème of our country are going south, not necessarily because they want to live there but because they see far greater opportunities there. Comparing the tax structures, after tax a family of two in the U.S. makes 44% more than a family of two wage earners in Canada. How can we compete with that? We cannot.

Earlier this year the business community combined with the educational community to provide a number of constructive solutions to deal with another factor that could improve our economy, the educational system. It involved innovative partnerships between the private sector and the educational system that would do much to address one of the core pillars of a strong, nimble and effective economy.

In a nutshell, the business round table had many recommendations. It recommended that all students learn at significantly higher levels and that the curriculum content reflects the higher expectations we would have of students. It recommended that instructional strategies and school choices vary to ensure success for all and that the system be based on performance by using a broad range of assessment tools. It recommended that schools have a major role in decision making, which would alleviate the rigid control over schools in what they can do. Schools should receive rewards for success, assistance to improve and penalties for failure to be effective teachers of today's youth. A major emphasis should be placed on staff development.

The round table also recommended that employee unions at individual schools be required to grant waivers on certain contract provisions governing the hiring and firing of teachers and principals and on the participation of staff in academic and financial planning.

I cannot overemphasize the importance of those recommendations. If we are going to have an effective, nimble and aggressive economy, we have to change our educational system. We have to give schools some control over what they do in terms of teaching.

They must have control over their budgets. They also must have the ability to be assessed.

Teachers federations have traditionally been completely opposed to an assessment of a teacher's performance. I feel this is wrong. Good teachers will benefit from the system because they will not only be keeping their jobs but they will also be rewarded for doing a good job. It would add the needed element of incentive into the teaching profession. It would remove from the system teachers who are not doing a good job.

In any system, including this one, those who are not doing a good job get turfed. That may sound ruthless but when we are dealing with the future of our youth, we must give them the best opportunities we can. We owe it to the youth of today to ensure they have an opportunity for the best education possible.

We must strive not only to help those who are among the most underprivileged and disadvantaged. We must also encourage those who are the best in our system and give them the challenges they require to become individuals who can contribute greatly to our society.

The finance minister could do a couple of other innovative things. There is presently a limit on the amount Canadians can devote to foreign investment. It is now at 20%. The government should increase that to 30%. That would go a long way to enabling people to provide for their future. As we in the House all know, the CPP will not be there for those in my age group and younger as it has been for previous generations.

• (1315)

The finance minister could actually expand RRSPs, have a designated RRSP amount. Those moneys could then be used to invest in the private sector, in small to medium size businesses on Canadian soil. If the finance minister were able to expand RRSPs, it would not be a lodestone around the taxpayer neck. It would also enable Canadians to invest in Canadian companies on Canadian soil and create Canadian jobs. It would be an important tool for increasing investment and innovation in the private sector by using the dollars that already exist. It would not rely on taxpayers.

This is an important facet the prime minister and the finance minister should look at to enable us to put money into the private sector and to enable the private sector to do research and development.

I would be remiss in suggesting that we not ensure the research and development system including the National Research Council have the moneys to do the very good research it does. It should be encouraged to partner with the private sector so that it will have the moneys to build another pillar of the private sector, the research and development section. Therein we would have a much more productive and effective economy for the future.

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Mr. Rick Laliberte (Churchill River, NDP): Mr. Speaker, I am delighted to address the hon. member's comments. He dealt with education. I realize he championed the national headstart program, the early childhood intervention program. Fortunately the aboriginal headstart program is well on its way and is serving a greater purpose.

I want to share with him a vision of education. One of the first obligations of the country to first nations occurred when the aboriginal people negotiated the future of their people. Education and health were major priorities. Education rights and health benefit rights are entrenched in the treaties.

In a social democratic country like Canada why do we not have tuition free education? Why do state controls stop after our children have gone through school from kindergarten to grade 12? Why can we not hold and nurture them until they become adults at the age of 21 to 25? Then they could stand up and take on their master's degrees or the Ph.D degrees to attain their careers. Tuition for university, technical schools, business schools and all trade apprenticeship programs should be supported. Youth need to be prepared a bit longer.

I wonder what the hon. member's vision is, because his heartbeat seems to be on the socially conscious side.

Mr. Keith Martin: Mr. Speaker, I thank my hon. colleague from the NDP. I know of his deep interest in aboriginal issues, particularly in improving the health, welfare and education systems of aboriginal people so that they have the tools to stand on their own feet.

The member's question was about why we did not have government funding for post-secondary education up to and including bachelor degrees. The bottom line is money. Unfortunately we have a limited amount of money and we have to do the best we can with the resources we have.

The leader of the Reform Party championed the concept of an income contingent loan replacement scheme in the last parliament. This is a very clever scheme that would provide for a greater amount of loans for students. Those moneys could actually go into a system that is far more accountable and more money would stay in the system.

• (1320)

In essence, when a student leaves school loaned moneys would be paid back on the basis of the earnings potential of the student, rather than current system where the student has to pay the whole shot back in a very short period of time, usually at a time when it is very difficult to acquire a job.

If the House and my hon. colleague in the NDP were able to work with us to champion that, we would do a great service to students by implementing an income contingent loan replacement

scheme which would provide for more money for students while not extracting more money from taxpayers.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, a few minutes ago the member for Regina—Lumsden stood in the House as a member of the NDP and tried to paint himself and his party as being defenders of small business in Canada. I have not heard anything more laughable in the last couple of months. There are comedians at work all over the place and this member seems to want to get a job doing that.

In British Columbia there is an NDP government. It is easy to start a small business in that province: start with a big business and it will not be long before it is a small business. Another way is to start a small business in British Columbia and move it to Alberta. That NDP government of B.C. has a shockingly interventionist attitude and punitive tax levels.

The corporate capital tax in British Columbia is a tax paid on the value of assets every year whether a business is making any money or not, whether one is making a profit or not. Give me a break; the NDP telling us that it is going to be the defenders of small business. I do not think so.

The Liberals would try to have us believe that they are the defenders of small business in Canada. I was a small businessman. As a matter of fact it was my time and my experience as a small businessman that drove me into the House of Commons, that got me involved in politics. I got mad enough at those clowns over there that I had to come here to do something to set the situation right.

This is my experience as a small business person: I was living on the west coast of British Columbia, minding my own business, trying to earn a living, employing people and trying to get along. What happened? The federal government continually interfered in my business. Statistics Canada sent me forms to fill out. This was back in the early 1980s. The first time I filled out the forms. I thought I could do it once. Then Stats Canada started sending them on a regular basis saying that they had to be filled out.

The time involved in filling out the forms was substantial. I reached the point where I said I was not going to do it any more. Then the people from Stats Canada said it was against the law and if I did not fill them out they could prosecute me and throw me in jail.

Next I learned that the receiver general wanted to collect his payroll taxes. He wanted them in his bank account on the 15th and the last day of every month. If the money was not in his bank account on those dates there was an immediate 10% penalty and the interest clock started ticking right away.

There are businesses in rural Canada, which a lot of these members do not realize exist, that do not have access to electronic banking so they have to pay their taxes in advance. That is the level

of understanding and comprehension that the government has for small business.

• (1325)

Speaking of taxes, if by some fluke a profit is made in one year, the government expects the business to start paying taxes on its next year's profit before it is even made. It expects a cheque to be sent every month in case a profit might be made. That is the level of attitude of the federal government. I cannot believe that the government actually tries to paint itself as being concerned about small business.

Let us talk about lending money to small business because that is what the bill is about. I will speak about a situation that happened in my home town. Our great, wonderful and illustrious federal government back in the early 1980s decided to embark on a loans program for small business.

A concrete company in my home town of Kitimat poured ready-mix, made concrete slabs and so on. On rainy days when there was nothing else to do, it used its little block plant to make concrete bricks. It was rainy day work and a good fill-in for employees rather than the owner of the company sending them home during inclement weather. A fellow in Terrace—they were both good business people—decided to go into the block plant business. He got a loan from the federal government and the new block plant put the block plant in Kitimat out of business.

Let us think about that. The guy who was already in business and paying his taxes for years and years saw his tax dollars going to provide a loan to a potential competitor to set up business and drive him out of business. Also the employees that were able to work during times of inclement weather were sent home. Those were net effects of the government's policy with respect to lending money to small businesses.

I do not mean to criticize either one of these businesses. It is just an obvious contradiction. The private sector ought to be providing capital for small business, not the government. If the government would do the right thing, set its own house in order and get the fundamentals right, we would not need to be concerned about whether small business had access to capital.

There are some matters we would like to see the government consider. It has not as yet. One of these days there will be a government on that side of the House that will do these things. It should reduce bureaucracy, reduce red tape, reduce payroll taxes, reduce personal income taxes and quit meddling in the private sector. Let the private sector get on with what it does best. The government should get out of its way.

I cannot believe the government believes it has some way of helping small business in Canada without addressing these fundamentals. The government has shown its willingness to continue a rip-off of the EI fund which is hurting small business and rank and file Canadian taxpayers, workers, and which will take \$7 billion in excess out of the economy this year. How can it suggest, with any

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sense of credibility at all, that it has somehow managed to come up with an idea that will help small business in Canada?

It is nothing more than mother Ottawa trying to devise another interventionist government directed policy. It is a government that, to solve the problems of small business, sets up a program, sets up a ministry, sets up a bureaucracy and, by the way, lends money.

Why does the government not try just leaving small business alone? Why does it not try reducing punitive tax levels? Why does it not try reducing red tape? Why does it not try leaving people alone? If the government would listen and would be willing to consider those ideas, small business in Canada would be a lot better off than it is right now.

Mr. Speaker, I do not know how much time I have left.

• (1330)

The Deputy Speaker: The hon. member has lots of time left, but unfortunately it is 1.30 p.m. and we have to proceed with Private Members' Business.

When the House resumes consideration of this bill, the hon. member will have 11 minutes remaining in his allotted time. I am sure we will all look forward to the resumption of his remarks.

PRIVATE MEMBERS' BUSINESS

[English]

ROYAL CANADIAN MINT

Mr. Ken Epp (Elk Island, Ref.) moved:

That an order of the House do issue for copies of all documents relating to the Royal Canadian Mint building a coin plating plant in Manitoba.

He said: Mr. Speaker, I am absolutely delighted that finally we have a venue for an open and parliamentary debate on this issue.

Those who have been following this story know that it has been almost a year now since this story hit the fan, so to speak. It is a situation where approximately 100 jobs in my riding are being jeopardized by a decision of the government to build a coin plating plant in Winnipeg, the back door of the Minister of Foreign Affairs.

I might also give another quick little political plug here because I think it is very appropriate. I have a strong suspicion that if the plant I am talking about, the private enterprise plant Westaim Corporation, were in a Liberal held riding we would not be discussing this right now. I do not think the issue would have gone this far. That is just a suspicion I have, based on my observations of

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the way this place works and what I have seen happen around here in the last few years.

Let us get down to the actual issues. The motion is for the production of papers. The motion specifically says that we want to have the papers released that will finally show the truth of the decision making process on this issue.

I have in my speech, which will be taking place in the next few minutes, a number of questions which I would like to have answered. I am just conjecturing here but I believe there is probably already a canned speech ready for the parliamentary secretary. My hopes of getting these questions answered is somewhere between zero and nothing. I want to pose them anyway and then I am going to urge members of this House in the interests of truthfulness, disclosure, openness of government to support the motion since if there is nothing to hide then the government should be eager to have everything out in the open so that the truth can be known.

If they vote against it, we can only conclude that the motivation must be that they want to deal in innuendo and in half truths or non-truths in order to justify their actions.

That is a big challenge for these Liberal members. I think they need to very seriously consider what the implication of their vote is. If they say no, it is really equivalent to the shredding of papers in the Somalia affair. It is a possibility that we can have the non-disclosure of all this information. That is really all we are after. Let us have the facts.

The other thing which underlies this question is that government decisions, especially as pertaining to the expenditure of money and the operation of the business of government which includes crown corporations, the mint, should be made prudently and be based on true facts. The decisions should be done wisely.

With all due respect, humbly I submit that some of the facts of the case here have been quite systematically ignored. I want to see what those facts are.

Very briefly, the government proposed last year to build a coin plating plant in Winnipeg. The cost at that time was projected to be around \$30 million. Since then there have been two other numbers that have been publicized, \$31 million and \$38 million. We do not know at this stage exactly what the final cost of the plant will be. However, we do know that it is a plant of about 56,000 square feet with a capacity for producing plated coin blanks of approximately one-third of the capacity of the Westaim plant in my riding which is at issue here.

• (1335)

The other issue is the question of savings. In a press release last October it was said this would also lead to savings. The first number touted was a saving of \$9 million per year and the second

figure given was \$9.5 million per year for a total saving of between \$18 million and \$19 million in a two year timeframe.

This is not a saving at all since moving the job from one location in the country to another at the expense of one and giving it to another is not a real saving. Furthermore, the savings could have also been achieved simply by continuing at the original location.

I believe this decision was based on the incorrect answers to three questions. First, is there security of supply? The government said no. I and the people in my riding and the Westaim Corporation emphatically say there is security of supply.

Second, are there cost savings? As I indicated in my introduction, I will talk more about the real and perceived savings and how they can be achieved.

Third, should the government be in business competing with existing businesses and threatening them? This is a philosophical question. I am not sure we will get the answer from the papers but it is one which also demands an answer. Should government be in an industrial process business?

To the question of security of supply, Westaim Corporation has been a major supplier to the mint since 1961, albeit at that time under a different corporate name. It is the same plant, the same organization and it has evolved over time. Now it runs under the name of Westaim.

In 1961 the corporation began producing nickel strip for the 5 cent coin. We call them nickels because they are made of nickel which came from the Westaim plant in my riding. In 1968 it began supplying the blanks for the dime, the quarter and the 50 cent piece. We all know what high quality coins Canadians have, so there is no question about the security of the supply and the quality of the supply. The coin blanks are pressed into actual coins by the mint which is a proper function of that crown corporation.

Westaim Corporation has subsequently supplied all the blanks for the loonie. Everyone who has a loonie in their pocket is dragging around metal that was produced in my riding. I want everyone, especially Liberal members, every time they look at a loonie or spend one to think of the wonderful riding of Elk Island just out of Edmonton, Alberta because that is where it originated.

The nickel strip portion of the two dollar coin is made at Westaim in my riding, so we have a large contribution to the coinage of Canada. Westaim in its coin production has been a solid business for over 30 years. It is doing just fine. For anyone to imply that the security of supply is at risk is totally incorrect. This is an international company. It produces coin products for markets all around the world, including recent large contracts to China and Brazil. Besides supplying Canada's domestic market it is a large exporter, thereby helping greatly in Canada's economy. It also does high tech research and production.

• (1340)

What really intrigues me, since my uncle died in a fire accident, is that Westaim produces a very high tech biomedical, totally sterile dressing for burn victims. It markets this all over Canada and the United States. It is an expensive but very effective product. It is very good at it. It has a research department in advance display technologies.

Recently it announced a breakthrough. We all have these little desktop computers. It could be that very soon computer manufacturers will be buying these thin screened, multicolour displays from Westaim Corporation in Fort Saskatchewan. It has excellent surface engineered products.

It recently announced a breakthrough regarding some fine powder materials which are used in the production of these high tech rechargeable batteries that all of us have in all our electronic equipment.

Does that sound like a business that is not able to give a secure supply? I guess not, so my contention is the decision was made based on less than perfect facts.

With respect to the security of supply and an answer to some of the things the minister said, even in this House as a response to questions that I raised and also that members of the other parties raised, Westaim has offered to the mint, if it is really concerned about it, to actually sign a contract, to dedicate the production from one line to the mint.

In other words, it is ready to say if at any time the mint wants to run the same kind of production it will be able to get out of its Winnipeg plant it is available right here and right now. That is because there is a worldwide oversupply in this market.

It just boggles the mind when one wonders why the government is trying to get into a business in which there is a present oversupply and in which there is not a foreseeable future of increase since we are moving more and more to electronics, credit cards and soon we will probably have cash cards. Coins are not an ongoing growing industry. They are level at best, with peaks admittedly.

When the Europeans bring in the new Eurocoin, zippo, there is a big demand for large coins. Canadians decided to have a \$2 coin. Suddenly there was a demand because from zero the whole country had to be supplied with all the coins needed in that denomination.

Now that the loonie is in production and has been for over 10 years, the \$2 coin now for a few years, the amount of production required to replace the coins that are lost or hoarded is not anywhere near what it is when a new coin is introduced. It is not a matter of the government getting into a business for which there is

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a huge ongoing and increasing demand. It is one where really what it is doing is upsetting the market and intruding into a business that is currently totally adequately covered by Westaim Corporation in my riding.

I say parenthetically with respect to the offer of the one of the three lines in the Westaim plant, the minister made a false statement in the House on March 24 this year when he said that the president of Westaim refused this offer. That is wrong. The president of Westaim made the offer. Again, I think we need to deal with actual facts when making these decisions.

Let me get to my second question, cost savings. They claim there will be a saving of around \$9 million to \$9.5 million per year. The fact is that only a small portion of that saving can be attributed to the fact that they will be producing their coin blanks in-house instead of purchasing them from Westaim. The largest component of that saving is due to the fact that they are changing from a nickel base to a steel base for their coin blanks.

Just the change in material and the cost of the process would produce this change and if they were to simply enter into a long term arrangement with Westaim, that saving could be achieved, just as with their new plant in Winnipeg they are proposing. There is only one difference, that the saving could be achieved almost immediately instead of waiting for two years until this plant is in full operation. At least we hope it will be in full operation.

• (1345)

It will be a brand new untested plant and, as with all new plants, it will have start-up pains. Therefore instead of saving \$9 million to \$9.5 million per year starting in the year 2000 or later, we could save that right away. There is another \$18 million.

The minister in the House said this is not going to cost the taxpayer anything. That is not true. The mint is a crown corporation. If it makes money that money accrues to Canadians. If it loses money that is money that is lost to Canadians. If it reduces its total net profit that comes essentially and eventually from the pockets of the taxpayers of this country.

I submit that if we take the price of \$38 million for the plant and \$9 million a year for two years in savings, we are looking at a total of \$56 million that the mint is expending when if it simply stayed with the present set-up there would be \$56 million less to spend which is money saved and equivalent to money in the taxpayers' pockets. When the minister says this is not going to cost the taxpayer anything, it is not so.

This comes to my next topic which I am not up to yet but these things overlap a bit. They claim to be making money but the fact is they will not be making very much money if they are not going to compete internationally. The minister said we were not going to compete internationally. If they are not going to I do not know

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where they will get the money to provide all the domestic needs in this country. Unless we get into the business of issuing a new coin and a new denomination every other year there will not be that big domestic demand. Either they are going to contradict what the minister said and compete internationally or they are not going to make any money.

Furthermore, if the claim they will be making money it is inevitable that they will be making it at the expense of an existing corporation, a taxpaying corporation in this country. Any business they get which will allow them to make money will be money taken directly away from Westaim Corporation in my riding. I think that is wrong.

I have already spoken about the premise of increasing demand. Frankly, the documentation available shows that not to be so. That is not correct information. There is of course a present peak in demand for coin production because of the Eurocoin but when that passes it is expected to level off and, as I said before, the excess of supply in both plated and non-plated coin products is somewhere in the neighbourhood of between 30% and 50% which is the excess of supply right now. It is absolutely foolish to be getting into this business.

Let me address my third question. Should the government be in the business of competing with business? My answer is a hearty no. It may not do this. It is an affront to our concept of justice and decency for the government to use its clout to compete directly in a business with private enterprise. Would we allow if it were to say let's start a factory to build cars and compete with the car manufacturing places? What about a used car lot? Would anyone buy a used car from our Prime Minister? I do not know.

What kind of businesses is the government going to get into? It may not compete directly. Furthermore, a recent bill in this House proposes to give the mint not only additional borrowing powers but additional borrowing powers from the consolidated fund. It is terribly unfair to have business A run by the government being able to use taxpayer money directly borrowing from the consolidated fund in order to compete with a private enterprise firm that is doing very well, thank you, as long as the government butts out and keeps out of this business. It has no business intruding there.

There is also a very great contradiction. It is the policy of this government to not compete with business. We have noticed how it has been privatizing. NavCan is an example. All the airports in the country are being privatized. Even some components of the military operations are now being put out to contract for private involvement. We also have the government printing operations.

• (1350)

There are many examples of it. It is getting out of the business of being in business in order to let private enterprise do its thing. We already have private enterprise being very successful. The govern-

ment is incorrectly intruding in it, in violation of every decent principle that we could possibly think of.

I strongly urge the government to vote in favour of this motion of the production of papers. When the facts are disclosed and truly known, and when we look at the contradictions in the debate so far, because there are some real sincere questions, hopefully we can rationalize this and even at this late date we can stop the government from this inappropriate intrusion into private business.

Ms. Carolyn Parrish (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I consider it poetic justice that Mr. Epp and I face off once again. We are no longer on private members' together selecting—

The Deputy Speaker: I know the parliamentary secretary would want to refer to the hon. member for Elk Island. I know she will want to comply with the rules in that regard.

Ms. Carolyn Parrish: Mr. Speaker, my apologies.

I found the machinations the member for Elk Island went through interesting. He knew we were going to vote for his motion. I guess it gave him an opportunity to rent his clothing and rail against the winds for his constituents.

Motion P-16 requests that the Royal Canadian Mint produce documents concerning the construction of a new coin plating facility at the Royal Canadian Mint location in Winnipeg.

As the hon. member for Elk Island already knows, the Standing Committee on Natural Resources and Government Operations asked for these documents last June. The Royal Canadian Mint complied and sent the documents to the clerk of the committee. The committee will soon reconvene and the documents requested will be available for review. We are on division going to vote for this today. We are going through the exercise, but it must be completed.

I ask the House why we are using our valuable time and resources to debate a motion when its goal has already been achieved, except for the opportunity for Elk Island to get up once again and state his position.

Let me address the benefits of the new plating facility to all Canadians. The initial guarantee is that it is a secure cost effective supply of plated coinage. Plated coinage is the technology of the future. Plated coins are less costly to produce and are just as durable and attractive as the coinage used in the past.

By building this facility, the government will achieve quite a large saving. The mint will pass on savings to the government of approximately \$10 million per year. This is extremely important to a government that is counting each one of its pennies very carefully.

The mint is the only corporation mandated for the production, sale and distribution of coins in Canada. It supplies Canadians with coins that are of high quality, are cost effective and are delivered on time. The mint must also generate a profit for its shareholder, the Government of Canada, by successfully marketing its minting services in coinage products worldwide.

The Royal Canadian Mint is not an appendage of the government as was the implication of the member opposite. It competes in a global environment. Business fundamentals such as a market analysis, sales, competitive positioning, leading edge technology and investment in human resource development are daily essentials, as they are with any corporation.

The mint does not receive government subsidies. All its operating costs are paid through its revenues or by securing financing from private financial institutions. The member opposite knows this. Making coins for other nations keeps the mint presses running at high speed and around the clock, which is the most cost effective production technique available. In 1997 the mint produced over one billion coins for 16 foreign countries. This year it will have upped that number to two billion.

It is expected that the mint's new plating technology will continue to be in high demand around the world. The mint estimates the new facility will enable it to generate an additional \$300 million in annual profits. Construction of the plating facility began in April. Construction is on schedule and on budget.

It is also important to note that the entire project has been financed by the mint through commercial financial institutions. One hundred to one hundred and thirty construction jobs were created over the three years of the construction period. On completion it will add 25 to 30 new permanent full time staff to its Winnipeg workforce.

• (1355)

The hon. member for Elk Island is understandably concerned about the well-being of a company in his riding, Westaim Corporation. Let me assure the House that the Royal Canadian Mint does not compete with Westaim. Westaim has been a supplier of the Royal Canadian Mint for many years and will continue to be one of several suppliers that provide the Royal Canadian Mint with the materials it needs. Westaim is the sole supplier for the 1\$ coin blank because it holds the patent for this project. Suppliers from Canada, the United States and Europe provide the mint with metal strip and coin blanks for the other coins.

Throughout the world there is a growing demand for lower cost circulation coinage. There will be many opportunities for both Westaim and the mint to work together to compete against foreign mints which are also expanding to meet the growing demand for lower cost coinage, in particular plated coinage.

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As early as 1991 Westaim informed the mint that it wanted to get out of the coin business and we had to make other plans. Westaim wanted out of the business and it is not considered to be a secure supplier for the mint.

The mint's coins are preferred by vendors who require two years to retool their machines, so let us look at what the cost would be to private enterprise. The mint's process is environmentally safe and produces high integrity coins. The mint needs the plating facility to fulfil its mandate and to meet the expectations of its customers at home and around the world. The mint is a totally independent crown corporation charged with the task of making money, both coins and profit. The plating facility is an essential tool that will enable the mint to fulfil its mandate to produce secure top quality but cost effective coins for Canada and profits for Canada through marketing its coinage expertise around the world.

The plating facility is essential for the mint to succeed in the international coinage business in which it is an active and extremely successful player. It is a dynamic and innovative organization in a highly competitive international market. For now and in the future it will continue striving to be the world leader in minting.

I remind the House that the Royal Canadian Mint has already produced the documents requested by Motion P-16 in response to a similar request made by the Standing Committee on Natural Resources and Government Operations last June. These documents will be available for review as soon as the committee reconvenes. Any member of the House may obtain a copy of those documents from the clerk of the committee.

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to rise today in the House in support of the motion moved by my colleague, the member for Elk Island.

The government should comply with such a request. It is a request for clarity. Parliamentarians should be clearer in the requests they routinely make of the government. When constituents tell an MP there is something odd, it is important that people can finally say that parliamentarians and MPs are really there to stand up for their interests.

Earlier, the Parliamentary Secretary to the Minister of Public Works gave us the history of the Royal Mint, and of this new project. This is why I am supporting the motion. She did well to give the background, but I support a motion for greater clarity. That is something I find very important.

We live in a very fast-paced world, and a project of this sort involves more than \$5 million. As the Reform Party member says,

Private Members' Business

perhaps it is bigger than they think. We are talking about a project involving over \$30 million.

I strongly urge the House to support the Reform Party member's proposal and motion, and tell him that he has the support of Bloc Quebecois members.

[English]

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, I thank my colleague, the hon. member for Tobique—Mactaquac, for giving me a chance to speak on this motion today.

• (1400)

I want to thank the member for Elk Island for pursuing this very important matter in the House.

From the beginning our party has opposed the construction of the Royal Canadian Mint's new plant which will manufacture coin blanks. We believe the mint has not been forthcoming with Canadians on this new facility.

The motion the member has proposed today would give taxpayers and members of parliament the opportunity to examine in detail the decision making process at the mint which has led government to support the decision which will have very terrible consequences for Westaim, for its employees and for taxpayers as well.

Let me review a few of the facts and arguments that our party has talked about in this particular case.

Through Bill C-41 the Liberal government has moved to increase the borrowing authority of the Royal Canadian Mint, allowing it to build a coin plating plant, another patronage plum, incidentally, in the Minister of Foreign Affairs' backyard.

That facility would put the mint into direct competition with Westaim of Fort Saskatchewan, Alberta. Because the world market for coin blanks is going down, either Westaim will be forced out of the business and 110 employees will lose their jobs or the Royal Canadian Mint's new venture will go down in flames and taxpayers will be on the hook for a minimum of \$30 million.

Why should the deal be stopped? Westaim is a legitimate Canadian business which has supplied the Royal Canadian Mint with coin blanks for 35 years. It employs 110 people in Fort Saskatchewan and the entry of the Royal Canadian Mint into the industry would jeopardize the Westaim division and its 110 employees.

Industry experts agree that the market for coin blanks will experience a slight blip in demand as the newer European currency starts up and then will continue on a steady decline as electronic transactions become more popular and the need for coinage and paper money decreases.

The new coin plating plant will not only replace Westaim as the source of supply of coin blanks, but will compete against Westaim in the world market.

The costs of getting the mint into the coin blank business are enormous. The \$30 million announced is only to build the plant. Start-up costs are substantial for a new competitor in a mature to declining market.

The mint will be required to compete against established, experienced, well-entrenched competitors who have had years to build their expertise and economies of scale.

Not only will the Royal Canadian Mint have to contend with a high cost structure, but like any brand new business it is going to make many mistakes as well.

There is currently a 30% to 40% oversupply in the world coin blank market. The entry of the mint into that market will likely either drive Westaim and its 110 employees out of business or it will spectacularly go down in flames and take millions of taxpayer dollars with it.

Even though there is no direct subsidy being proposed in that venture, because all money spent by a crown corporation reduces dividends paid to the government, ultimately the taxpayer is the one who pays.

Parliament has not approved Bill C-41 that would give the Royal Canadian Mint the authority to borrow the money for the new plant. Westaim still has an unresolved lawsuit against the mint involving the softening process necessary to make these coin blanks. The mint cannot legally proceed with that venture unless it settles both of these outstanding matters, yet construction of the plant started in March.

Getting government right is a Liberal government policy that has been around since 1993. Among other things it stipulates that where the private sector can provide a service equal or superior to a government department or agency, then government should not be in that business. This venture violates that Liberal government policy.

The only reason this is being allowed to happen is because it is a patronage plum for the foreign affairs minister's backyard. The Westaim plant is in an opposition-held riding. It is as simple as that. If Westaim were in a Liberal riding this venture would never have made it past the cabinet table.

• (1405)

We do not have to look any further than the fiasco that the Liberal government created in the oil industry in the 1970s to know that it does not make sense for the government to take over part of an existing industry to compete with private companies.

Back then the Liberals nationalized Petrofina and created the national energy program. That hurt the industry. It cost jobs and

taxpayers ended up paying out millions and millions of dollars. All that money was paid out quite unnecessarily. The same problem will happen with the Royal Canadian Mint.

In June of this year my colleague, the member for Tobique—Mactaquac, had the pleasure to meet with the master of the mint, Mrs. Danielle Wethrup, and her vice-president of finance and administration. The meeting was an opportunity for our party to exchange views and information with the management of the Royal Canadian Mint.

They made some very convincing arguments concerning security of supply. But when we asked them to show us their business plan, they refused. When we asked them to show us their market projections which they claimed indicated a healthy growing demand, they did not do that. When we asked them to show us any piece of evidence that could reassure us that the \$30 million of taxpayer money that was on the line would not be a risky venture, they said “You are just going to have to trust us because we cannot do that as well”.

We cannot trust them in that regard. As I have indicated, every bit of information we have seen on this matter reinforces our view that this scheme of the mint’s will put Westaim and its employees out of business. It will put 110 people on the unemployment rolls and possibly on the provincial government’s welfare rolls. It is going to cost millions of dollars.

I am happy at least that government members are going to vote for the motion to give access of information to the opposition. The motion will give our party access to the information that we need to determine the advisability of this proposed venture, and specifically if we should support Bill C-41.

I call on the mint to make public all relevant papers on the coin plating facility. I am very pleased indeed that all members are going to support that part of the process.

The Deputy Speaker: If the hon. member for Elk Island speaks now, I must advise the House that he will close the debate.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, that is exactly what I am going to do. I am going to thank all members of the House for their kind consideration of this very important private member’s bill. I appreciate the tone in which the debate was held.

I would like to respond by saying two things.

First, in a quick response to the letter that was quoted, I do not want to do what I think we are finding others guilty of, so I would like to simply ask two questions with respect to the letter. I am talking about the statement that is repeated over and over by the minister that Westaim gave an intention to go out of business.

I would like to ask whether the government, in quoting this letter, would at some time totally and accurately describe the actual

circumstances under which the letter of intent was signed. Second, is the government prepared to disclose the date on which that letter of intent expired and became null and void?

The fact of the matter is that Westaim is in the business. It was in the business at the time the mint announced its intentions to build the plant. It is a strong company. It is not a question of whether it is intending to vacate that field.

I would like to emphasize that and to indicate to the government that the continued use of that statement is really quite inappropriate.

The last statement I would like to make is that I hope as a result of this discussion we can get into a wider discussion on a basic philosophical question. That is, should the government be in the business of competing with business?

● (1410)

One person in my riding, not specifically on the Westaim question but on another one, asked whether the government should be in the business of competing with business thereby driving out the business. It is a fundamental principle which we recognize that where the taxpayers are behind the government, it gives the government funded operation a huge and unfair advantage. There is another case which I did not mention because I ran out of time.

Who buys coinage products? Everyone probably knows there are two main buyers. There are those who buy some types of coins and medals or coins commemorating sovereigns or whatever, and the big market is governments. When any government around the world is looking for a supply of coinage products, we have little old Westaim, and I say little old strictly and only in comparison to Government of Canada.

To many foreign governments, dealing with another government is very important. They have a huge advantage without even talking about the actual price at which they bid. It could happen that Westaim in future international bidding contracts could have the lower bid and a superior or at least equal product, but would lose the bid because other countries want to deal with the government instead of a private enterprise. Government has absolutely no business being there.

I hope that this debate today will be enlarged so that we can carry on with that larger debate. I think this is so crucial to our whole situation.

In conclusion, I thank the members of the House. Let us move forward to see if we can bring the facts to the table and get a resolution to this deeply philosophical problem.

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

Some hon. members: Question.

Private Members' Business

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

Some hon. members: Agreed.

An hon. member: On division.

(Motion agreed to)

The Deputy Speaker: That concludes Private Members' Business for today. Although it is not 2.30 yet, we will call it that. The House will accordingly stand adjourned until Monday next at 11 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 2.12 p.m.)

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David Iftody	to Minister of Indian Affairs and Northern Development
Reg Alcock	to President of the Queen's Privy Council for Canada and Minister of Inter-governmental Affairs
Bonnie Brown	to Minister of Human Resources Development
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Joe McGuire	to Minister of Agriculture and Agri-Food
Beth Phinney	to Minister of National Revenue
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