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Wednesday, May 25, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Wednesday, May 25, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

GEORGIAN BAY '94 MARINE HERITAGE FESTIVAL

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, the Georgian Bay '94 Marine Heritage Festival is a co-operative initiative that will involve 61 shoreline municipalities along Georgian Bay and the north channel.

More than 100 community and family oriented events will take place between June 1 and September 30. These activities will include cultural celebrations, heritage re-enactments, interpretive and educational environmental events, on the water competitions including the International Atlantic Challenge and the tall ships visits to the communities all along the bay.

I congratulate the organizers of the Georgian Bay '94 Marine Heritage Festival for their initiative in promoting this unique part of Canada. I encourage all Canadians to take part in this historic event.

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[*Translation*]

RED CROSS

Mrs. Madeleine Dalfond—Guiral (Laval—Centre): Mr. Speaker, we would like to draw the attention of the House to the excellent job being done by Red Cross physicians in Rwanda.

Under extremely difficult conditions, these professionals are taking care of the wounded who manage to escape the slaughter that is going on in that country. These doctors often risk their own lives to save a population devastated by a civil war that has killed half a million people so far.

We are all affected by this intensely tragic situation. We cannot remain unmoved by the suffering of the men, women and

children in Rwanda who are receiving essential care from these doctors.

On behalf of the Official Opposition, I want to congratulate the physicians of the Red Cross and thank them for the generosity and compassion with which they are doing their work.

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[*English*]

MISSING CHILDREN'S DAY

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, for the past several years the Solicitor General of Canada has recognized May 25 as Missing Children's Day in Canada.

There were approximately 56,000 children reported missing in Canada last year. While most of these children returned home safely within 48 hours, many did not.

The Missing Children's Society of Canada is a registered non-profit organization whose purpose is to search for runaway and abducted children.

Working on the front lines in the search of missing children, May 25 truly has a special significance for the Missing Children's Society of Canada. It is a day of renewed hope, a day to remember. It also presents the greatest opportunity to provide awareness of this issue to Canadians in an effort to prevent another child from going missing.

From Halifax to Victoria, mayors of Canadian cities are proclaiming the week as Missing Children's Week in their cities. I invite all members to join with me on behalf of the Missing Children's Society of Canada and the Reform Party of Canada to recognize May 25 as Missing Children's Day in Canada.

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MISSING CHILDREN'S DAY

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I rise to speak in recognition of National Missing Children's Day.

There is a month long campaign organized by Child Find Canada which seeks to raise the awareness of the abduction of children in Canada.

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The green ribbon I am wearing on my lapel today is a symbol of hope. It was conceived by the students and staff of the Holy Cross Secondary School in St. Catharines following the abduction and subsequent murder of a young girl in that community.

[Translation]

The abduction of children is a terrible thing, and I think Parliament should be very much aware of this. We must do everything we can to reduce the number of abductions and, if possible, prevent them altogether.

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[English]

VIA RAIL

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, it has been encouraging to read recently that the Minister of Transport is prepared to make public some of the problems encountered by VIA Rail in attempting to make it a real business.

The recent revelation of VIA employees being paid for 28 days when only 12 days have been worked is one stark example of the baggage that train line carries. Other examples are the inability of VIA to question bills submitted, non-negotiation of track rates and schedules dictated by freight trains.

[Translation]

The time has come to use some common sense about VIA Rail.

Perhaps it should cost more for cars to use highways and it should cost less to use trains for people who leave their cars at home.

The government could promote a transportation policy that would help VIA Rail to survive and at the same time it could show how to preserve this railway service.

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(1405)

[English]

WETLANDS—WOODLANDS—WILDLIFE PROGRAM

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, the Deputy Prime Minister and Minister of the Environment and the Minister of Agriculture and Agri-Food recently announced 10 partnership projects in Ontario promoting sustainable agriculture practices to benefit and restore fish and wildlife habitat. These demonstration projects are part of the wetlands-woodlands-wildlife program identified as a priority initiative under the Canada-Ontario agriculture green plan.

This plan provides over \$1.8 million over the next three years for demonstration projects that range from windbreak plantings, conservation cropping and tillage practices, to enhancing natural wetlands and woodlot areas that will provide food, shelter and nesting habitat for a number of wildlife species.

The goal of this program is to promote the development and adoption of sustainable farm management practices and new technologies. I am very pleased that one of these projects will be located in my riding of London—Middlesex.

The enhancement of the Caddy-Bott drain in Middlesex county demonstrates this government's commitment to working in partnership with our farmers to promote environmentally sound agricultural practices that will ensure the long term viability of Ontario agriculture.

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[Translation]

OFFICIAL LANGUAGES

Mr. Nic Leblanc (Longueuil): Mr. Speaker, the federal government is continuing to project abroad a totally biased image of the Canadian reality.

In an ad published by the Canadian embassy in Poland, the eligibility criteria stated for emigrating to Canada is knowledge of the English language. No word about French, as if it was not even used in this country.

It is obvious that while on the one hand it is touting the virtues of Canadian federalism, on the other hand the government is telling foreigners that in Canada, English is the only official language.

This is one more reason why international relations should come under the exclusive jurisdiction of Quebec, only Quebec being capable of projecting abroad a realistic picture of its distinctiveness and reality.

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[English]

INDIGENOUS PEOPLE'S CELEBRATION

Mr. Allan Kerpan (Moose Jaw—Lake Centre): Mr. Speaker, I would like to inform the House that last July 23 to 25 an indigenous people's celebration was held in Moose Jaw.

Soon after I was elected as MP in October, businesses and organizations that had provided goods and services to this event approached me with the news they had not been paid for their services. The problem is serious because we have identified possibly \$200,000 worth of unpaid bills. I have informed both the federal government and the Saskatchewan provincial government about this situation.

I have a deep concern that a successful resolution be found to this problem. I am encouraged by the patience of the business persons involved as we work through this problem and by the openness and responsibility being taken by the newly appointed aboriginal leaders in Moose Jaw.

I am hoping we can carefully reach a successful conclusion to this matter. I will keep the House informed.

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FISHERIES

Mrs. Elsie Wayne (Saint John): Mr. Speaker, I rise today to commend the hon. Minister of Fisheries and Oceans on introducing new legislation intended to protect our straddling fish stocks. However, on the very same day that the minister introduced the new legislation there were seven Cuban fishing vessels fishing within the 200-mile limit.

As a result of the recent awarding of the fishery observer contract to Biorex, there were seven observers on site of which only three were experienced in monitoring this type of vessel. The other four observers did not have the experience to obtain the data DFO requires to effectively monitor their activities.

While I commend the minister for the new legislation, I have to wonder how the minister can justify announcing the legislation when the awarding of the observer contract by his own department has taken away the only effective, trained and experienced tool we have to adequately protect our fish stocks.

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MISSING CHILDREN'S DAY

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I wish to add my words to those of the member for St. Boniface. Each year in Canada police receive thousands of reports of missing children who are classified as runaways, abductions by strangers, or parental abductions.

Too frequently these children are extremely vulnerable to violence and exploitation on the streets. In the greater Toronto area Operation Go Home is just one of thousands of organizations dedicated to making Canadian communities a safe environment for our children.

Since 1984, May 25 has been recognized in Canada as National Missing Children's Day. This is an opportune time during the International Year of the Family to renew our commitment to crime prevention and to safer homes and streets for our children.

I invite all Canadians to join us in recognizing this day by wearing a green ribbon of hope.

(1410)

MUSKOKA ACTIVEFEST '94

Mr. Andy Mitchell (Parry Sound—Muskoka): Mr. Speaker, I rise today to pay tribute to the organizers and participants of ActiveFest '94.

Volunteers began meeting in November last to discuss what is hoped to be an annual event. More than 70 volunteers from throughout Muskoka have come together to promote health care issues.

Muskoka ActiveFest '94 is a 10-day celebration of active living which runs from May 27 to June 5. There are over 120 events and activities people can participate in. Citizens and visitors alike are encouraged to try a new activity or sport. Many events will cater to the family, from golf to line dancing to aerobics. There will be something for everyone, from youngsters to senior citizens as the community joins together to create a better health environment.

Schools, businesses, citizens and the medical community are promoting the benefits of quality daily physical education and active living with ActiveFest '94.

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THE FAMILY

Mrs. Sue Barnes (London West): Mr. Speaker, we cannot underestimate the importance of declaring May 15, 1994 as the International Day of the Family.

This United Nations declaration pays tribute to families around the world, promoting awareness of their needs. The family is the most important unit in our communities.

The realities of this decade, the growing emphasis on family values, demographic and socioeconomic changes are placing enormous pressures on workers of all levels and professions. We must find that golden balance between meeting the family obligations and fulfilling workplace demands.

As a person who is committed to these dual responsibilities, as so many of my hon. colleagues are, I hope the celebration of the International Day of the Family will sensitize all of us. Throughout our lives we seek our joys with, as we seek our comfort from our families.

In 1994 we have an opportunity to strengthen our relationships with the people closest to us. Strong and healthy families create strong and healthy societies.

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[Translation]

CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, yesterday the federal government appointed a hard-liner to the head of the Canadian Security Intelligence Service in the person of Ward Elcock.

This morning, Canadian Press reported troubling comments from a former official of the Security Intelligence Review

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Committee, Ron Atkey, who applauds Mr. Elcock's appointment, stating that he is "a man with a firm grip with troubled times laying ahead in various parts of the country, and particularly in Quebec".

Thinking back to the questionable schemes cooked up by the federal secret services in days gone by, or so we thought, one can wonder whether the good old Liberal era when such a close eye was being kept on Quebec leaders are not making their way back.

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[English]

QUEBEC

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, over the last week I have spoken to many constituents at town hall meetings. At those meetings the question of Quebec has been a hot topic.

My constituents are concerned about the government's lack of leadership on this critical issue. While the Leader of the Official Opposition jets around Europe promoting his vision of an independent Quebec, the people of Nanaimo—Cowichan grow weary of the separation debate. They also wonder why political leaders in France and Belgium are willing to comment on Canadian solidarity, yet not a word from our own Prime Minister.

The people of western Canada are not satisfied with status quo federalism and are demanding change. That demand is leading to new rumblings of discontent with traditional federalism in the west. This is the result of a disenfranchised electorate from coast to coast.

If the Prime Minister wants to run this country with his head in the sand, he might want at least to peek out from time to time to make sure the ground around him is still solid.

* * *

GOVERNMENT CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise to recognize the role of the Minister of Public Works in contributing another key element to this government's campaign to bring a new level of integrity to government.

On May 16 the *Lobby Monitor* informed us that the Department of Public Works and Government Services has tightened standards in the language of its contracts which effectively bans the use of contingency fees by lobbyists involved in procurement work.

This was a promise of the Liberal Party during the last election campaign. This is a critical element of this government's work in bringing a new era of openness and integrity to federal contracting.

Liberals keep the promise.

LAW ENFORCEMENT TORCH RUN

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I rise today in honour of the annual Law Enforcement Torch Run for the Special Olympics.

(1415)

The Law Enforcement Torch Run is organized and supported by the Canadian Association of Chiefs of Police, the Provincial Association of Police Chiefs, various Torch Run co-ordinators, and over 11,000 law enforcement personnel.

The Torch Run which began last week will see thousands of volunteers and law enforcement officers carry the flame of hope right across the country.

The Law Enforcement Torch Run is conducted with three key objectives in mind: to increase public awareness of the Special Olympics, to raise funds for these Special Olympics, and to create a sense of commitment to the community and Special Olympics programs across Canada in conjunction with local law enforcement agencies.

This year the Law Enforcement Torch Run hopes to raise \$1.5 million for the Special Olympics in Canada. I am confident that all members of the House join me in supporting the Law Enforcement Torch Run.

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ROCKY MOUNTAINEER

Mr. Ted White (North Vancouver): Mr. Speaker, today marks the beginning of the fifth season for Rocky Mountaineer rail tours, a private company which runs tourist rail traffic through the beautiful Rocky Mountains to Banff and Jasper.

Rocky Mountaineer has its head office in my riding of North Vancouver. It receives no taxpayer subsidies. It creates a significant number of private sector jobs and has generated more than \$5 million in tax revenues for all levels of government.

There have been rumours that VIA Rail may try to get back into the passenger rail business on the same route as that travelled by the Rocky Mountaineer. However a 1990 contract states that this cannot happen without cabinet approval. There is no logical reason to allow a taxpayer subsidized VIA Rail to compete unfairly with a private sector venture.

I urge all members of the House to strongly oppose any permission for VIA Rail to re-enter this market. I also ask all members to join me in wishing Rocky Mountaineer rail tours its best year ever in 1994.

The Speaker: Before we begin question period today I want to draw the attention of members to one thing. From time to time we are given to introducing special guests in our gallery. Once or

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twice a year we are honoured that some of our former colleagues come back to Ottawa.

I wonder if all former members of Parliament who are in the House today would please stand so that we can welcome them all home.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[*Translation*]

TRADE

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. In a speech yesterday to the Canadian American Business Council in Washington, the Minister of International Trade condemned the attitude of the United States with regard to a number of trade disputes with Canada, particularly disputes over softwood lumber, wheat, steel and pork. He even hinted at a possible cooling off of trade relations between the United States and Canada.

In light of the warning issued by his minister in Washington, can the Prime Minister tell us what concrete action Canada plans to take to get the Americans to stop implementing measures that are incompatible with GATT and NAFTA rules and that have a considerable impact on several sectors of the Canadian and Quebec economies?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I fully support the action taken by the minister in question. It was important to get across to the Americans that we were not at all pleased with what was happening in certain areas. With respect to softwood lumber, the dispute settlement panels have ruled three times in our favour. Yet the Americans have always appealed, which is not a good thing. The same thing has occurred in the case of wheat. We are respecting the rules of the game and we want the Americans to do likewise.

(1420)

The minister, who I am confident has the support of all members of this House, wanted to make it clear to the Americans that we are prepared to play by the rules and that we hope the US will do likewise.

[*English*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I also take note that the Prime Minister supports the position adopted by his minister yesterday.

Does he agree with and does he subscribe to the harsh judgment of the Minister for International Trade to the effect that the fundamental problems on delaying the trade dispute between Canada and the States "is that the administration of

President Bill Clinton has an unclear commitment to free trade"?

It is a strange position for a Liberal minister supposedly against free trade and now complaining about lack of enthusiasm from the American president.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, trade between Canada and the United States is huge. More than 75 per cent of our trade is with it. It is normal that we have some difficulties from time to time.

We have some cases at this time in which we are not happy with the slow movement of the Americans. We are respecting the rules and we expect them to respect the rules.

In the softwood lumber it has been established clearly that we are following the rules. We are completely competitive. We are not doing anything against either the GATT or the NAFTA. Not only that, the tribunal ruled three times in our favour on it.

On the question of wheat it is the same. We are selling wheat to them, for example durum wheat, for one reason: our wheat is better than theirs and American consumers know it. Seventeen senators in Congress said that they should not impose tariffs on Canadian wheat, but in the American system they are not as decisive as we can be in Canada. We have to put pressure there. That is exactly what the minister did yesterday in Washington and I am happy to see that he has the backing of the House.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, quite aside from his minister's bravado and his own lofty statements in this House, does the Prime Minister plan to speak directly to President Clinton in an effort to genuinely protect those sectors of the economy affected by the actions of the United States?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have discussed issues such as softwood lumber, the West Coast fishery and wheat on several occasions in the course of telephone conversations with the US President.

Yesterday, the minister addressed an important gathering in Washington and delivered the Canadian government's message, namely that we want free trade with the US to continue and to this end, we will play by the rules, providing the Americans do so as well.

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INTERGOVERNMENTAL RELATIONS

Mr. Michel Gauthier (Roberval): Mr. Speaker, after their conference last week, the Western premiers asked for the transfer of federal powers to the provinces in several areas, including telecommunications and manpower, thus echoing Quebec's demands.

Does the Prime Minister admit that the western Premiers' requests show once again that there is a serious responsibil-

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ity-sharing problem in Canada and that the political structure is no longer adequate as it leads to costly and inefficient overlap and duplication?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the Supreme Court ruled that telecommunications was an area of federal jurisdiction. So the government is only abiding by the Canadian Constitution.

Will it be possible to make administrative arrangements to satisfy certain provinces which control some elements of the telephone service? I hope we will be able to do so but there is certainly no duplication in this area because the Supreme Court has recognized very clearly that telecommunications come under federal jurisdiction.

With respect to manpower, the Minister of Human Resources Development is still discussing with the provincial governments at this time. We hope we will be able to make arrangements if necessary and I am glad to see that not only Quebec but also other provinces want better arrangements, and we hope to work out some kind of accommodation. Of course, what will be good for western Canada will also be good for Quebec and vice versa, and I hope that if everyone simply looks at the problem rationally instead of using it for political confrontation, we will be able to find a reasonable solution.

(1425)

Mr. Michel Gauthier (Roberval): Mr. Speaker, can the Prime Minister explain in a satisfactory manner why his government and himself, who yesterday boasted of his determination to solve the unemployment problem, are still, after several months of negotiations, totally unable to sign with Quebec an agreement that would save \$250 million a year in waste and better serve the jobless?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would suggest that the hon. member check his facts. We have done an analysis. The numbers he used are not correct. They were based upon an OECD study which had nothing to do with Canada itself. It was simply an averaging of all countries in the OECD regime that did not explicitly look at the facts as they relate to Canada.

Therefore the facts presented are not exact. We have already communicated that to other governments and they understand the figures on duplication. At this very moment we are negotiating with the provinces a series of agreements to have single witness deliveries, to share locations, and to provide for joint sponsorship of programs.

Unlike the hon. member we are taking action when he only blows steam.

* * *

FEDERALISM

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

As the Prime Minister knows the securing of Canadian federalism and the future of federalism in Canada is not solely a federal responsibility. The provinces have an integral role to play in the operation and preservation of the federal system, but last week a number of the western premiers expressed several concerns about how the national unity issue was being handled or not handled.

Does the federal government intend to actively consult the provinces and involve them in a joint effort to strengthen and promote national unity over the next few months?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I have no doubt that all premiers of Canada, including the premier of Quebec, want the country to remain together. I know when I met with them in December that we discussed that. They want to do what is needed to do that. Everybody agreed at that time that the best way was to provide good government and to look at the duplication that exists between levels of governments. Some western Canadian premiers made representation last week in different fields and we are looking into that.

When there are two or three levels of government in a country there is always a conflict of jurisdiction. It is inevitable but it is a system that works very well for Canada.

In countries like Great Britain and France in which there is only one level of government people want to have two or three levels to bring the government closer to the people. Everybody in Canada will recognize that with our federalism of today we have one of the most decentralized federations in the world, aside from perhaps Switzerland.

There is always a constant battle for adjustment. It is the dynamism of our federalism. We can adapt because there is a lot of flexibility in our Constitution.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a supplementary question.

Some of the premiers and many other Canadians want to be assured that the federal government is preparing a principal federalist response to the various problems and issues that Quebec's separation could create for Canada and the other provinces. These are problems and issues which the Prime Minister considers hypothetical and which he said yesterday the federal government does not want to think about for fear of being accused of accepting the inevitability of separatism.

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Who should be preparing the federalist response to these problems and issues if the federal government is not prepared to accept the responsibility?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I accept the responsibility. I said to everybody that talking Canada down like the hon. member is doing all the time by saying that nothing works in Canada is conducive to that.

Some hon. members: Hear, hear.

(1430)

Mr. Chrétien (Saint-Maurice): In spite of the difficulties I always said that Canada is the best country. I am not down on Canada. It is the best way to convince everybody that Canada is still the best country in the world in which to live.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, each non-response from the government to this question just creates more uncertainty about the leadership for the advancement and promotion of federalism and where it is going to come from. Each non-response causes the national unity vacuum to grow.

Does the government intend to provide the House with an opportunity to freely debate the federal response to Quebec's separatism before we recess for the summer?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the hon. member said he will table a paper very soon. However, if the intention of the leader of the Reform Party is to reopen the constitutional debate, my answer to that is no.

Yesterday that was more or less the approach you took and on the second question you backed down. We will wait for your paper to see where you are.

The Speaker: Order. I know that the right hon. Prime Minister will want to include me.

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[Translation]

THE ECONOMY

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, the Prime Minister continually blames the opposition and sovereigntists for all economic woes, for the poor labour market and the sorry state of the nation's finances. The finance minister's irresponsible statements, erroneous forecasts concerning the 1993-94 deficit and anemic budget have had a major, very negative, costly impact on the economy and on financing Canada's public debt.

Does the Prime Minister not agree that the irresponsible statements of his Minister of Finance and his budget's lack of credibility are the real reasons that Canadian interest rates are higher than American rates and that since his budget was tabled,

this differential has cost Quebecers and Canadians thousands of jobs and hundreds of millions of dollars?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I do not agree that the Minister of Finance is irresponsible. No minister takes his work more seriously than the Minister of Finance. No minister is more respected by the business community than the Minister of Finance. He has my full confidence.

The hon. member knows very well that something within our control which can be done on financial markets now is to make our country politically stable, which would do a lot for its economic stability. We are not the ones creating political chaos in the land.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, does the Prime Minister not agree that instead of looking for scapegoats everywhere, he should look at his finance minister who, because of his weakness and lack of political courage, refuses to make real decisions to restore the nation's finances, create employment and give people confidence in the Canadian economy again?

He is the real culprit, Mr. Speaker.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, all indicators clearly show that the Canadian economy is now headed in the right direction.

Since this government took office, consumer confidence has increased considerably. The number of unemployed people in Canada has gone down. I think that the budget presented in February was very, very well received by the financial community because they know that this Minister of Finance and this government have a very specific plan. We want to create jobs, that is our priority. To do so, we must reduce the deficit to 3 per cent of gross national revenue within three years.

We will keep this promise as we have kept other promises, and the financial community will indeed have confidence in Canada when we clearly establish this country's political stability.

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(1435)

[English]

HAITI

Mr. Bob Mills (Red Deer): Mr. Speaker, my question is for the Prime Minister.

The UN economic sanctions and embargo on Haiti have been in effect since only May 21 but already we have seen an inability to enforce the embargo with gasoline and diesel fuel now crossing the border easily from the Dominican Republic.

On May 10 the Minister of Foreign Affairs told the House that he had every reason to believe that the Dominican Republic was going to co-operate and adhere to the UN sanctions. I pointed out to the minister at that time—

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The Speaker: Order. I would ask the hon. member to put his question now.

Mr. Mills (Red Deer): Can the Prime Minister comment on the substantive action that he plans to take to ensure strict compliance with the international embargo on the part of the Dominican Republic?

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Mr. Speaker, I am very pleased to have the opportunity to respond to this question on sanctions in Haiti. Canada is doing everything it can to make sure sanctions stick.

We were part of a UN mission that explored the Dominican Republic border in the last few days. We will be making a démarche to the Dominican Republic, insisting it does everything it can to stop up the gaps in the sanctions net that exist at this time.

Mr. Bob Mills (Red Deer): Mr. Speaker, we recognize the great job that our peacekeepers and foreign missions are doing. However Canadians need some criteria to go on before we get involved in further actions on an ad hoc basis.

Could the Prime Minister or the minister please tell us if they are prepared to work in conjunction with the foreign affairs committee to develop such a set of criteria for future actions or accelerated actions in places like Haiti?

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Mr. Speaker, the government has always stated it is open to having all manner of public dialogue on foreign policy. At this moment we are going through, with the assistance of the committee, a complete review of foreign policy. This does not preclude a discussion about how our peacekeeping efforts can be improved.

Having been involved as a country in peacekeeping missions all over the world and with scarcer resources today, we are very interested in the Canadian view of how we can be more effective and efficient in our peacekeeping role.

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[Translation]

SOCIAL PROGRAM REFORM

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

One of the warnings given to the minister in a confidential draft on the communications strategy regarding the social program reform, which was made public yesterday by a member of Parliament, reads as follows:

[English]

“UI cuts seen by the population as evidence that government wants to fight the deficit on the backs of the poor”.

[Translation]

Under the circumstances, will the minister tell us if the delay in tabling his action plan is the result of a split among cabinet ministers regarding what is at stake, as suggested in a recommendation from the same report which proposes this strategy: “—demonstrate Cabinet solidarity on socio-economic agenda”?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as the hon. member knows over 80 per cent of Canadians are very anxious to see major initiatives taken to reform and improve our social programs. That very strong support is also reflected in the cabinet and caucus on this side of the House.

The only place where there are divisions, the only place where there is any opposition is in the source and background of the Bloc Québécois. It is the only group in the country that does not want to see reform go ahead and we know why.

[Translation]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, the minister does not have to listen to the advice of his civil servants. However, he must tell us if, and how, he can justify, given the current situation with respect to public finances, the wasting of more than one million dollars on a communications strategy designed to explain to the poorest how they will have to put up with cuts totalling billions of dollars.

(1440)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the document referred to by the hon. member is merely a draft suggesting options for consultation. It was prepared by civil servants and it does not reflect cabinet policies. I did see the document; it is a list of ideas for a presentation.

In my opinion, the most important tool in terms of consultation is the Parliamentary committee, and I intend to hold extensive consultations with all Canadians through that committee. This is my position; it is not the hon. member's position.

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[English]

HEALTH CARE

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Minister of Health.

Oral Questions

Yesterday the minister admitted that the principle of accessibility in the Canada Health Act must recognize the importance of timeliness as well as affordability. She then suggested it was not her wish to cut health care payments to British Columbia but was forced to under the Canada Health Act.

Can the Minister of Health explain why enforcement of unworkable sections of the Canada Health Act should take priority over the right of Canadians to accessible, timely health care?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, the enforcement of the Canada Health Act is certainly very workable and it is done very quietly, very methodically, systematically and pragmatically.

In this case we are guaranteeing that all Canadians, especially all residents of British Columbia, have access to a doctor regardless of whether they have money or not.

Miss Deborah Grey (Beaver River): Mr. Speaker, two major problems confront Canadian health care today: affordability for the provinces and accessibility for individuals.

By reducing payments to B.C. and threatening Alberta and other other provinces with similar penalties, the minister is making both these problems worse.

When will the minister recognize that her enforcement of the Canada Health Act is actually making health care less accessible for Canadians? When will the minister admit the need for reforming totally the Canada Health Act?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I am quite happy to hear where the Reform Party really stands on a national health care system. It obviously is in favour of user fees. It obviously is, in this case, in favour of a two tier system, one for the rich and one for the poor.

On this side of the House we believe in a national health care system where your needs are met, not your wants and not based on the size of your pocketbook.

It is very important that all Canadians be reassured that in this time of very tight money, we are able to give predictability and stability to transfer payments in health and tell Canadians that we are here to guarantee they will be treated based on their needs.

* * *

[Translation]

UNEMPLOYMENT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question is directed to the Minister of Human Resources Development. According to a study carried out for the Canadian Centre for Policy Alternatives, unemployment cost the Canadian economy more than \$109 billion in 1993 and governments alone absorbed \$47 billion of the cost of unem-

ployment. The authors of the study are asking the government to put in place a pro-active employment policy.

Will the minister admit that the timid employment recovery measures proposed by the government are not enough just to put 1.5 million unemployed people back to work and reduce the intolerable cost of unemployment which is now \$109 billion?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I am very pleased to have that question from the hon. member because it points out, if nothing else does, how important it is that we undertake major reform initiatives to change many of our programs, the whole purpose of which is getting people back to work.

I met with the director of the Centre for Policy Alternatives last week. We had a very good discussion about how we could help many of those who are presently using benefits to go back to work, to develop a system where we could give incentives for them to participate in the wide variety of activities in the private sector, the volunteer sector and the third sector.

I agree totally with the hon. member that the number one purpose and objective of this House is to get people back to work. That is why I hope that he will go to work on his colleagues and get them to back the kind of social reform we want to bring in.

(1445)

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, considering the study's conclusion that consultation among economic partners is essential to ensure employment recovery, does the minister not realize that his proposal for the reform of social programs is not on the right track, since it has not been able to generate such a consensus among economic partners and more specifically with the provinces?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, there is no one in this House more concerned about the problem of unemployment than I or members of this government. We were elected last October on that mandate from Canadians and we take that mandate very seriously.

In all sincerity to the hon. member, he cannot complain about no consensus because we have not tabled a report yet. It is unfortunate that some of his colleagues in his own party are doing their best to try to undermine the whole purpose of the report which is to get people back to work. I hope he will use his good offices to work on them so we can get Canadians back to work.

*Oral Questions***SCIENCE AND TECHNOLOGY**

Mr. Tony Ianno (Trinity—Spadina): Mr. Speaker, my question is for the Secretary of State for Science, Research and Development.

With a global technological revolution taking place Canada's future prosperity depends in large part on our ability to forge partnerships between research institutions and the private sector, thereby creating spinoffs which will ultimately create high quality jobs for the future.

In the budget the government promised increased emphasis on science and technology. Could the secretary of state please provide an update on the progress that is being made to ensure Canada's potential is realized?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development)): Mr. Speaker, our government is in the process of developing a strategy which will put science, research and technology at the forefront of a national system of innovation to help move along many of the items on our agenda.

We will shortly announce in the coming weeks the details of the promised Canadian technology network and the technology partnerships program. During the course of the summer I will be discussing with Canadians across the country in a series of meetings the options that we have in terms of science, research and technology in moving the agenda along.

This will be followed by five regional conferences in the fall. I invite my hon. colleagues to participate in this important dialogue together with business, industry, federal laboratories and universities.

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CHILD SEX OFFENDERS

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, my question is for the Minister of Justice.

As today is National Missing Children's Day it would have been appropriate for the government to announce its plan to introduce a national registry of all convicted child sex offenders.

On April 26 the minister assured this House that an options paper on a national child abuse registry would be available in the month of May. Yet yesterday the Solicitor General announced that plans for such a registry may have to wait until after the summer recess.

Can the minister advise this House when such an options paper will be made available? More important, when can Canadians expect a national child abuse registry?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the plans of the government remain

unchanged. We do expect that the discussion paper will be available before the end of the month and we intend, as I said I believe in April, to have the register in place at least by adapting the CPIC computer system in the fall of this year.

The Solicitor General made clear yesterday that his ministry and mine are at work with interested parties including the provinces in making the arrangements to make it possible before the end of the year by adapting the CPIC system to have a reliable registry of those convicted of sexual abuse of children so that we can ensure public safety in this important respect.

Ms. Val Meredith (Surrey—White Rock—South Langley): A supplemental, Mr. Speaker.

Can the minister advise us that in establishing such a registry if the rights of children and the rights of child abusers conflict it will be the rights and protection of the children that will take priority in Canadian law?

(1450)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can assure the hon. member that the protection of children is the paramount concern of this government.

* * *

[Translation]

GOVERNMENT CONTRACTS

Mrs. Monique Guay (Laurentides): Mr. Speaker, my question is for the minister of public works. Last February 18, I gave notice of a question appearing in the Order Paper in which I asked the Minister of Public Works and Government Services what the regional distribution was of all contracts awarded by his department and to whom these contracts were awarded in the past two years. The Standing Orders require the Minister to respond within 45 days.

Can the minister tell us what he is waiting for to finally shed some light on the distribution of federal government purchasing contracts throughout the various regions of Canada?

[English]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for the question. With regard to providing the answer, I think the hon. member knows, because it was asked of me at committee, the request which is being made will require the Government of Canada to absorb a very high expenditure of public funds in order to provide all of the necessary information that she has asked for.

However, as I indicated at committee and as I now state again we would be happy to provide as best we can within the fiscal

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capacity of the Government of Canada all of the necessary information which I am certain will address all of the questions and all of the concerns the hon. member has.

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, would the minister have us believe that the government has no information on the regional distribution of federal contracts?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I think the hon. member knows quite well that the request which she has made, although on first instance may appear to be very reasonable involves a large expenditure of taxpayers' money in order to provide the necessary information.

However, as I indicated at committee and as I repeat here once again we will be happy to review with the hon. member the kinds of information which will respond to her questions and allay her fears with regard to the purchasing practices of this department.

* * *

IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

A couple of weeks ago the minister for immigration did some tough talking. He said he wanted to close loopholes and prevent people who should not be in Canada from coming in through the back door.

However, last week he changed his tune. Now he says the system is too strict and that we need to accept more people whose refugee claims were rejected.

How can this minister justify talking tough and at the same time create an all new level of bureaucracy to pave the way for failed asylum seekers to stay in Canada?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, talking tough and talking straight is a hell of a lot better than talking nonsense.

Some hon. members: Hear, hear.

The Speaker: Order. I am sure that was a slip of the lip. I am sure the hon. minister would want to withdraw that four letter word.

Mr. Marchi: I have no problems withdrawing. It was a slip from the lip right from the hip.

I'm on a roll, Mr. Speaker.

The Speaker: One day we have Shakespeare and now we have poetry. Did the hon. minister withdraw? He did. The hon. minister of immigration.

Mr. Marchi: Very clearly, yes. I forgot the question.

The Speaker: Perhaps the member could ask his second question.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, I would be delighted to ask the question again for the minister.

My question to the minister was how can he justify talking tough and at the same time create an all new level of bureaucracy to pave the way for failed asylum seekers to stay in Canada?

(1455)

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, upon becoming Minister of Citizenship and Immigration, one of the first things I asked NGO representatives to do on a non-remunerative basis, on a very quick basis, was try to put together a report of recommendations on how we can better deal with the automatic review and the humanitarian and compassionate review under the immigration refugee board. There was concern because it lacked clarification and it lacked definition. I have accepted the premise of the report.

Upon accepting the premise of the report I believe it is logical in the interim to allow those individuals since 1993 when the automatic review started to have a review of their cases to ensure that through that lack of clarity those individuals did receive a fair determination.

That has absolutely nothing to do with those cases of criminality that do not deserve the compassion or the tolerance of our system.

We will have a bill in this House before we leave for the summer to deal with precisely that issue.

The Speaker: A very short supplementary question.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, we are concerned about the millions of legitimate refugees who are languishing all over the world, many close to death.

This minister is making it easy for the migrants who have the economic wherewithal to travel to Canada and claim asylum. We are concerned about queue jumpers.

Will this minister admit that under his supervision the inland acceptance rate has shot up 12 per cent and that inland asylum seekers are jumping the queue and straining our ability to accept desperately needy refugees from abroad?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, this government's red book was very clear. It places a great deal of evidence on overseas selection. As the hon. member alludes to, it is cost efficient but more important goes precisely to the matter of those who are in the refugee camps who are true refugees.

The reality of the 1980s and 1990s is that all over the world, not only Canada, these migrants are on the move. Refugees are no longer waiting in the camps for our visa officers and so they are coming to our country. That has necessitated the international community and all its member states to try and have an inland determination system. You cannot move the clock back and

Oral Questions

pretend that in this day and age of technology and transportation people will not move.

We are trying to make that system the best we can so that we can give sanctuary to the true refugee, and the false has no business applying as a refugee.

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FISHERIES

Mrs. Jean Payne (St. John's West): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

On May 12 amendments to the Coastal Fisheries Protection Act received royal assent. This legislation will allow Canada to take action against foreign fishing vessels fishing contrary to conservation measures on the Grand Banks outside Canada's 200-mile limit.

Can the minister advise this House when and how we can expect to see this measure enforced?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, the regulations to bring the new act into force were approved by cabinet this week and will come into effect the week of May 30.

All stateless and all flag of convenience vessels are being notified of the new legislation. We are already receiving indications as a result of boardings that have taken place over the last few days that many of these vessels will leave voluntarily. We hope that all vessels will leave voluntarily because those that do not will be seized and charged under a new Canadian law.

* * *

[*Translation*]

CONTRACTING OUT

Mr. Bernard St-Laurent (Manicouagan): Mr. Speaker, we learned from a press release issued by the Public Service Alliance of Canada that the federal government has considerably increased its spending in several departments by using the services of outside contractors. Between 1984 and 1992, contracting out increased by 207 per cent for National Health, 247 per cent for Supply and Services and a full 628 per cent for Customs and Excise Canada.

(1500)

My question is for the President of the Treasury Board. How can the minister justify freezes and cuts in the public service, when contracting out has increased so phenomenally in recent years?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, of course those are actions which were taken by the past government. This government is reviewing the contracting procedures.

Not all of the contracting out is for work that could be done by the public service. Where it could be done by the public service, we would want to examine that. We want to make sure the taxpayers' dollars are spent in the most efficient and effective way. If it can be done better in house, fine. In some cases however, it would be justified to contract out.

We are reviewing that matter. We will also ask the government operations committee to review that matter together with the Treasury Board.

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AGRICULTURE

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, my question is for the Minister of Agriculture.

About three weeks ago a joint agriculture and transportation subcommittee met to deal with the issue of grain movement problems in Canada. The result of these meetings was a letter of recommendation presented to the ministers of transportation and agriculture.

Why has there been no government action resulting from these recommendations?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, the Minister of Transport and I have received the letter from the subcommittee on agriculture and transport.

In addition to considering that letter ourselves at a departmental level, we referred the contents of that letter to a group of grains industry senior representatives at a meeting which I called in Winnipeg on May 16. All of the subject matter contained in the letter is now the subject of a variety of working groups being undertaken by the grains industry representatives together with government.

I have asked those representatives to have a report to me no later than next Monday in terms of the type of actions which can be implemented quickly in this crop year. This is to make sure that our grain transportation difficulties are resolved as much as that is humanly possible and further to make sure that this country does not get into that kind of problem again in a future crop year.

* * *

EMPLOYMENT

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Human Resources Development.

Today a report was released that indicated young families in this country are living in conditions of poverty not seen since the Depression.

According to a departmental document leaked yesterday, the government is prepared to spend over \$1 million on what can only be called self-promotion of the social policy review—not doing it, but promotion of the social policy review.

I would like to ask the minister if he would take those funds, over \$1 million, and put them into job creation for these young families that are quickly sinking into poverty.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I thank the hon. member for the question.

There have been no million dollars assigned. That was partly a figment of imagination put forward by one of her colleagues. We have not made any decisions about any communications strategy or what it would cost.

I think the hon. member would be the first one to acknowledge that in putting forward a number of proposals for reform of social programs we have to make every effort possible to have a wide range of Canadians involved. This includes young families who are very much affected by the economic conditions of today. That means we have to find ways of reaching out to them.

I can assure the hon. member that one of our primary objectives and concerns is how we can improve the position of young families, especially the children of young families, which must be the concern of every Canadian. To do that we will reach out on a very broad based consultation using the committee of this Parliament to do that. We will provide the most resources possible to meet that very problem which was highlighted in the report.

ROUTINE PROCEEDINGS

(1505)

[*English*]

SOUTH AFRICAN ELECTIONS

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Mr. Speaker, in April I had the privilege of leading the Canadian delegation to the elections in South Africa, that historic moment in time. It is my pleasure today to table, in both official languages, the report of that delegation's experience in South Africa.

Routine Proceedings

CANADA COMMUNICATION GROUP

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, under the auspices of tabling of documents I would like to table for the benefit of the House the audit report of the Canada Communication Group, in both official languages, as well as the Canada Communication Group audit action plan prepared in both official languages.

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GOVERNMENT RESPONSE TO PETITIONS

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

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RWANDA

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Mr. Speaker, I would like to address a few words today on the subject of Rwanda.

[*Translation*]

The massacres that have engulfed Rwanda since April 6 have already cost the lives of hundreds of thousands of children, women and men, while millions of others are streaming out of the area or country in terror.

The needs of displaced families and those stranded in their urban homes are increasing as time goes on. Fresh food is not readily available. Stocks of medical supplies are rapidly being depleted. And the lack of clean water is complicating an already explosive situation.

Sanitation and lack of access to clean water have been the most serious problems facing displaced people in urban areas in Rwanda and has also been a threat to the refugees in camps in Burundi and Tanzania.

Health problems are also escalating, mainly respiratory infections, diarrhea and malaria, which have been traditional ailments in refugee camps.

[*English*]

Shortly after the Rwandan conflict broke out Canada assumed a leadership role. First of all, Canada's Department of National Defence operates the only relief flights going into Kigali. Second, CIDA has promptly responded to appeals by the Red Cross and international non-government organizations for emergency aid to assist those in desperate need.

Canadian aid amounting to \$4 million has already flowed into Rwanda through emergency organizations such as the International Committee of the Red Cross and Doctors Without Borders.

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In addition to this the UN peacekeeping forces in Rwanda are currently under the direction of a Canadian, Major-General Romeo Dallaire, who has requested and obtained an increase in UN troops and an enlarged mandate in order to protect humanitarian operations.

Canada pressed the Security Council of the United Nations in order to have the UN more actively engaged in a search for a resolution of this disastrous conflict.

The Minister of Foreign Affairs has taken the initiative of asking for a special session of the UN Human Rights Commission. At this very moment this special session is addressing the situation in Rwanda on an urgent basis.

After consultation with Canadian NGOs last week I am pleased to announce today on behalf of the Minister of Foreign Affairs that Canada will contribute \$7.606 million in supplementary humanitarian assistance to the victims of this terrible conflict in Rwanda. This new contribution will be allocated as follows: \$4.856 million, representing 64 per cent of the envelope, will go to nine Canadian non-governmental organizations operating in Tanzania, Burundi, Rwanda and Zaire; the International Federation of Red Cross and Red Crescent Societies will receive \$750,000 in Uganda and Tanzania; and the United Nations High Commission for Refugees will receive \$2 million for its activities in Tanzania.

[Translation]

These CIDA funds will help fulfill basic needs like drinking water, sanitation, shelter and health care. Our aid workers and military personnel are doing their very best to maintain a lifeline to the victims of this tragedy. Canada is determined to continue to support their efforts through the UN system, the Red Cross movement and Canadian non governmental organizations operating in the region.

(1510)

[English]

I would like to take this opportunity to pay tribute to those many Canadians who are part of the aid agencies, non-governmental organizations and peacekeeping forces in this region of Africa. Let us not forget that these women and men risk their lives every day in order to relieve the suffering of a truly tortured people.

I would also like to give recognition on behalf of the Government of Canada to those countries that have most generously welcomed the growing numbers of refugees that stream across their borders every day.

In conclusion, I want to join all Canadians in praying that the many efforts currently undertaken by the international community will lead to resolution of the conflict in Rwanda and that a peaceful dialogue will assume its place.

[Translation]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, the Bloc Québécois welcomed the news today that the Canadian government has decided to provide additional humanitarian aid for the victims of the conflict that is now raging in Rwanda.

Only yesterday we urged the federal government to act as soon as possible on the resolution by the Security Council to reinforce the UN mission in Rwanda, and we welcome the additional contribution from CIDA announced this afternoon by the Secretary of State.

The additional emergency aid comes at the right time. We are confident that the amounts committed by Canada will help Canadian non-governmental organizations in Tanzania, Burundi, Rwanda and Zaire, as well as the International Federation of Red Cross Societies and the Office of the UN High Commissioner for Refugees, which are also active in Tanzania and Uganda.

There is an escalating need for so many things. There is a shortage of food, drinking water and medical equipment. Public hygiene is a problem, as is the disease spreading through the refugee camps.

The Bloc Québécois wishes to take this opportunity to commend the courage and invaluable contribution of civilians and military personnel from Canada and Quebec who are working over there with relief organizations to alleviate the suffering and help meet these needs.

Uganda has also requested the help of the international community to remove the thousands of corpses of Rwandans civilians which are rotting in Lake Victoria. A member of the government put it in the following terms, and I quote: "The situation is horrible. Thousands of bodies are caught in the marshes surrounding the many islands in the lake, and we do not have the equipment to remove them".

Meanwhile, mortar attacks prevent relief organizations from getting food from the warehouses to feed the thousands of civilians living under UN protection.

Today, according to a news release, two scheduled humanitarian flights were cancelled because a Canadian C-130 was hit by a bullet. According to the same news release, UNICEF expects malnutrition to become a problem within the next two weeks.

That is why last week, the UN Security Council authorized the deployment of an additional 5,500 peacekeepers. The UN mission in Rwanda will also be responsible for the safety and protection of displaced persons, refugees and civilians who are at risk, which will include the creation and maintenance, where possible, of secure humanitarian zones.

Ghana, Ethiopia and Senegal have each committed 800 soldiers. It is reported that they may not have the necessary equipment, including armoured vehicles, take their position

between the opposing Rwandan forces which have been fighting since early April.

As yet, there has been no response from the international community, so that the actual deployment of the peacekeepers may well take several weeks.

Meanwhile, the killing continues, and according to the latest UN estimates, more than 500,000 people have died and hundreds of thousands are refugees.

Will the Department of Foreign Affairs take part in reinforcing the UN mission in Rwanda? The Secretary of State did not answer that question today.

(1515)

Canada has a very important role to play in Rwanda. CIDA's response to requests for emergency assistance by the UN and non-governmental organizations is part of that role, and we welcome that decision.

Today, at an emergency meeting of the UN Human Rights Commission in Geneva, several countries are calling for punitive action against the perpetrators of the slaughter in Rwanda and for international action to put an end to the killing. We can only hope that peace will be restored as soon as possible in that country.

[English]

Mr. Bob Mills (Red Deer): Mr. Speaker, the Rwanda situation has opened the eyes of many across the world to the incredible obstacles that the international community must face in the days to come.

The civil war in Rwanda is certainly of incredible concern to Canada. Our leadership role in international relief demonstrates our deep concern for the peoples of the world.

Unfortunately we have witnessed the civil war become ten times worse in only the last few weeks. The estimated casualties have ranged from 500,000 dead, 500,000 wounded and two million refugees. The largest refugee camp in the world now exists in Tanzania where over 300,000 refugees are taking shelter from the massacres in Rwanda.

The inability of the factions in Rwandan society to settle their differences and establish effective government is no longer an issue facing Rwanda alone, nor is it an issue solely for Africa. Rather, it is an issue for the international community and we must step up and face it.

To some degree we have done this. Nearly every major world relief organization is operating either in Rwanda or in the neighbouring countries in order to assist the hundreds of thousands of refugees fleeing from this area.

We have great respect for the individuals from all over the world who are there doing what they can to make a difference in this war torn place.

Routine Proceedings

We also hold in high esteem Canadians who operate the only flights going into Kigali. I can accurately say that we are all proud of the role Canada plays in relieving international tensions and handling international traumas.

The position of CIDA on the forefront of this situation is highly respected and appreciated by many in the international community. A comprehensive understanding of the role Canada is playing requires the study of our goals and methods in this region.

It is clear that we all desire to see a country that could be united with political and economic stability.

We must play a role in foreign countries. However, we must make the decision making process much more transparent. We cannot operate in an ad hoc arrangement and Canadians are demanding accountability when it comes to our decisions on programs like this, particularly with regard to aid.

It is hard for me to really understand what is happening in Rwanda, as I was fortunate enough to visit this country; a rich country in terms of its natural scenery, its wild animals and, yes, its people. I will always remember those market scenes of people smiling and happy, trading their goods, everybody with a baby on their back. It is difficult to understand how that could change. I guess it really demonstrates how fragile all democracies or all types of situations are.

In summary, I would applaud the statements that the secretary of state made. However, I would ask that we always remember the accountability. We must provide the criteria so that the people of Canada understand what we are doing in such aid projects as this.

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CANADA COMMUNICATION GROUP

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, earlier this day I released the audit report of the Canada Communication Group.

As some hon. members may recall, I requested that an independent audit be conducted as a result of allegations made by suppliers, members of Parliament and concerned citizens on possible conflicts of interest in the contracting practices of the Canada Communication Group.

[Translation]

After listening to suppliers, I decided to act quickly to get the facts out in the open. That is why Deloitte and Touche were asked in March to come in and examine the Canada Communication Group's contracting practices. This impressive audit was conducted in just six weeks.

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(1520)

It is clear from the audit report that the Canada Communication Group's role as both a supplier and a contracting agent results in an inherent structural conflict of interest.

[English]

The auditors have recommended, and I have accepted as I have accepted all of the recommendations which have been put forward, that the Canada Communication Group procurement activities be transferred to the supply operations group within Public Works and Government Services Canada. This transfer is to be completed by August 1 of this year.

The decision to sever Canada Communication Group contracting arm from its service delivery component directly in my view addresses this finding of an inherent conflict of interest. The Canada Communication Group will continue to provide, however, a full range of services. However, the removal of the contracting activity eliminates both the potential for conflict of interest and a major irritant to suppliers across this country.

As well there are well over 150 employees at the Canada Communication Group whose lives will be affected by this decision. All affected will become employees directly of Public Works and Government Services Canada.

It must be noted that the auditors found the Canada Communication Group business practices to be consistent with its charter. Further, the auditors concluded that there was no evidence of illegal or fraudulent activities. The auditors also recommended that an advisory committee be established to look at the Canada Communication Group organizational status and its future evolution. This committee to be comprised of government and industry representatives will consult widely and extensively with all stakeholders in mapping out the future directions for the Canada Communication Group.

Officials are now finalizing the mandate of the committee and I expect to be able to name the members in the next few weeks and to have the final report from the committee some time in the very near future.

At the same time the Canada Communication Group in consultations with client departments, suppliers and central agencies is to develop and publish a policy and guidelines on conflict of interest. The advisory committee will review and approve the policy and determine how the policy is to be monitored for compliance.

I do not think that one can talk candidly about the Canada Communication Group without acknowledging its status as a special operating agency. I already noted at the Standing Committee on Government Operations that the concept of a special operating agency is an important one but should be reviewed. I am looking at the issue of special operating agencies with my colleague from the Treasury Board. We need to re-examine the purpose of special operating agencies and the type of government services which benefit most from being structured along those lines.

I fully expect that the special operating model as structured by the former government will come under further scrutiny and reviews which are now presently under way.

In closing, I want to assure all hon. members that their input on the review of future options for the Canada Communication Group will be welcomed. It is my hope and expectation that a full and frank discussion will evolve and that the Canada Communication Group and the Government of Canada will emerge even stronger as a result of this particular process.

[Translation]

Mrs. Monique Guay (Laurentides): Mr. Speaker, I read the statement made by the Minister of Public Works and Government Services concerning the Canada Communication Group. Some elements sound vague and raise some very serious concerns.

As all stakeholders and certainly the minister himself knew, the outside firm Deloitte and Touche confirmed there was a conflict of interest in this special operating agency or SOA.

(1525)

The minister either did not keep his eyes open or did not have the ability to review this matter himself, since it was an outside firm that made him see the light. In any case, it may be better this way since this firm only took six weeks to write its report whereas the minister would surely have taken six or twelve months if not more to do the same.

The first concern relates to the transfer of the Canada Communication Group's purchasing operations with all 150 employees affected to the supply operations arm of the department. Should this transfer exercise not be subject to an extensive review to rationalize departmental staff and resources?

The Bloc Quebecois periodically asks for a comprehensive review of public expenditures. Would it not be appropriate to take advantage of this adjustment to streamline spending and cut the waste of public funds?

Can the minister also assure us that the supply operations group within his department will be completely transparent and that the new status of the 150 employees will effectively stop any conflict of interest with the Canada Communication Group?

The announcement by the minister that an advisory committee will be set up to examine the status of the Canada Communication Group does not come as a big surprise to us. The Liberals have become the undisputed champions of advisory committees. We wonder whether ministers need their own staff since they always rely on advisory committees. Do ministers of this government have the authority to analyze, consult and make decisions on their own? Can they do the job themselves?

What guarantee do we have that this other advisory committee will not be made up of friends of the Liberals? On what basis and under what conditions will members of that committee be appointed? There are numerous concerns, Mr. Speaker.

Routine Proceedings

I suggest to the minister that all members of the Standing Committee on Government Operations should sit on that committee. The minister should use a committee which already exists and whose members are MPs elected by the public. Instead of doing your usual show, I ask you, when the committee does its work, to open the books, to provide all necessary information, to invite your civil servants and let them express their views, and to consult all those interested in this issue. In this way, we will be able to shed some light on the issue and propose new options through a transparent and open process, as is the public's wish.

We are concerned by two other aspects in the minister's statement. While setting up an advisory committee, the minister is asking Communications Canada to develop and release a policy on conflicts of interest. Why is that not the committee's responsibility? Given its mandate, it is incumbent upon the committee to recommend such a policy. Again, more duplication of studies and consultation processes!

Finally, the minister says that he is reviewing the whole issue of Special Operating Agencies, including Communications Canada. What a mess, Mr. Speaker. The minister is looking at SOAs, the advisory committee is looking at a SOA, and the SOA is looking at itself. As far as we are concerned, this is pure improvisation.

Logic, intelligence, simplicity and common sense do not seem to be the forte of the minister responsible for SOAs.

[*English*]

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I am happy to respond on behalf of the Reform Party to the minister's statement.

Before I do, however, I would like to mention that we did not get a copy of this report from his office until 90 minutes prior to this announcement. Since he knows that we are expected to respond directly after his statement in the House, and since his own party was scathing in its criticisms of such lack of information and lack of co-operation from the old government when it was in opposition, I would think that the minister would be particularly sensitive to the actions of his own people and would like to look into that in his own office.

One can imagine the righteous indignation from the minister if he were on this side of the House while the government delayed the release of a potentially embarrassing report.

In dealing with the audit report of the Canada Communication Group I will start by commending the minister for the quick turnaround in this audit. While we are happy that the government has moved on this issue, I cannot help but wonder why the government needed an audit in the first place to determine that as both supplier and contractor, CCG was in a conflict position. That appears to me, and I would hazard to say to most of the country, to be self-evident.

(1530)

This audit was moved up due to a series of complaints against CCG across the country from private sector companies that felt they were unable to compete fairly for government business. These are the types of rumours that have circulated about CCG in recent press clippings.

First, there was a director general attempting to contract work to the private sector. CCG co-ordinates the bidding process. The winning bid selected by CCG is CCG. The agency comes in just below the lowest private sector bid. Understandably all sorts of questions about insider knowledge emerged.

Second, CCG is one of the bidders for a substantial contract with the federal government and it wins with the lowest bid. Only afterward is it known that CCG had a small advantage over the other firms in that it did not feel the need to include its employees as labour because CCG did not have to pay them for the work on the specific project since they already had a federal salary.

One area the minister did not address with any substance deals with the whole issue of special operating agencies or SOAs of which CCG is one. There has been much criticism that these SOAs create unfair competition for those wanting government contracts.

More and more, companies are finding themselves facing off against SOAs for contracts within government and even outside government. Several national industry associations have said that they have been deluged with complaints from their members. Companies have complained that these SOAs receive insider information because of their privileged position within government that can assist them in winning contracts.

Others complain it is not fair that SOAs, which are essentially subsidized by taxpayers' money, are allowed to bid against them in the first place. Still others complain that it is not fair that SOAs are winning contracts with universities and municipalities. Finally, some wonder if allowing government departments to compete for contracts internationally is such a good idea.

A number of questions need to be answered with regard to SOAs, none of which the minister has addressed today. Are there any rules governing SOAs when they find themselves competing with the private sector? Each SOA runs according to a private agreement worked out between it and the department.

Technically, when government departments offer to do work for another government department, the transaction does not fall in the category of contracting. It is called the provision of professional services according to one analyst. When SOAs aggressively seek out work that might have gone to public

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tender, it is not competing for contracts because all SOAs are still 100 per cent owned by their departments.

Also the reason why SOAs such as CCG are bidding on contracts with municipalities and universities is they have literally interpreted the standard rule that work can be sought within government to include any level or institution of government. As for international contracts with foreign governments, government departments compete for these because they feel they as government often have the best chance of securing work.

The whole issue of SOAs has not been adequately addressed today by the minister other than his tepid reference to another government study on conflict of interest and some new nebulous review by his department and the Treasury Board on the role of SOAs. This needs much more serious attention in our opinion.

In reference to the auditor's report itself, the auditor has made five major recommendations respecting these conflicts of interest. However of greatest interest to our party is a recommendation that either CCG be privatized, given crown corporation status or retain its special operating agency status but with revised goals and targets.

Our party has a bias toward privatization and in the case of CCG this option does bear exploring. In the interim, the minister has moved to put CCG's procurement arm under—

The Deputy Speaker: Order, please. Perhaps the member has forgotten during the week that he is only allowed to have as much time as the minister took in his statement. His time has expired.

Mr. Dingwall: Mr. Speaker, a point of order.

The Deputy Speaker: Very briefly.

Mr. Dingwall: Mr. Speaker, I think it is an important point of order. My colleague opposite made reference to the fact that he had not been provided the information well in advance. I want the House and you, Mr. Speaker, to understand that with the previous administration it was not uncommon.

(1535)

The Deputy Speaker: Order. I do not need to hear further to that. It is certainly not a point of order.

Mr. Dingwall: I have a point of order. I have something that I wish to add—

The Deputy Speaker: Please get to the point. The hon. minister.

Mr. Dingwall: Mr. Speaker, if I am allowed to complete my point of order, I will arrive at its final conclusion.

A member of the Reform Party stated in the House that he did not have sufficient time to examine the statement which we provided 90 minutes in advance. Perhaps it is for this reason: the Reform Party demanded of my office that we hand deliver the report by ministerial car and driver so they could have full time to examine it.

If that is not a bogus point by the hon. member, I do not know what is, Mr. Speaker.

The Deputy Speaker: The House leader for the Reform Party and perhaps the member who was spoken of would wish to speak as well afterward.

Mr. Hermanson: Mr. Speaker, these comments are totally unfounded. We have an agreement with the government that it will provide us with minister's statements in a reasonable time, which is more than 90 minutes. We have had an ongoing problem with having those statements received as agreed on previously.

It is the minister's problem. It is not our problem.

Mr. Solberg: Mr. Speaker, the point the House leader made is entirely true.

Further, this audit that we are referring to, not so much the minister's statement, could have been sent out a lot earlier than it was. There is no reason in the world why it could not have been brought over at the beginning of the day.

I categorically refute what the minister has said. There is absolutely no excuse for not getting this report before 90 minutes before the minister's statement.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 22nd report of the Standing Committee on Procedure and House Affairs regarding membership of committees.

[*Translation*]

With leave of the House, I intend to move concurrence in the 22nd report later this day.

[*English*]

FINANCE

Mr. Barry Campbell (St. Paul's): Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Finance.

Routine Proceedings

Pursuant to an order of the House dated Tuesday, April 19, 1994 the Standing Committee on Finance studied Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994 and agreed to report the bill without amendment.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I think it would be possible to dispense with the reading of the 22nd report of the standing committee since it only concerns a matter of one change in a committee.

If the House gives its consent, I move:

That the 22nd report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

Mr. Wappel: Mr. Speaker, a point of order. I wonder if that one change involves me. If it does not, I have no problem.

Mr. Milliken: I am sorry, Mr. Speaker, I have forgotten what the change is but I do not believe it concerns the hon. member.

The Deputy Speaker: The Table indicates as well that it is not.

(Motion agreed to.)

PUBLIC ACCOUNTS

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

I move:

That three members of the Standing Committee on Public Accounts and one staff person be authorized to travel to Charlottetown, Prince Edward Island from July 10 to 13, 1994 to attend the 16th annual conference of the Canadian Council of Public Accounts Committees.

(Motion agreed to.)

* * *

(1540)

PETITIONS

HUMAN RIGHTS

Mr. Janko Peric (Cambridge): Mr. Speaker, I have a petition which was forwarded to me by Mr. Robert Gerber of Cambridge and is signed by constituents from my riding of Cambridge.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate public approval of same sex relationships or of homosexuality.

I am endorsing and fully supporting this petition.

[Translation]

REFUGEE STATUS

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, I have the pleasure of submitting a petition signed by over 1,500 residents of my riding who ask Parliament to urge the minister of immigration to legalize the status of the Dudka family so that they can lead an honest, peaceful life in Quebec, as they intend to.

Given that the Dudkas have been living in Mascouche since January 7, 1992, but failed to obtain refugee status, that both parents have stable employment, that the family has adjusted harmoniously to the Quebec society, that support for the Dudkas is already widespread, that there are two children in this family, one of whom was born in Quebec, and that their lives would be in danger if they were forced to return to Argentina, I feel duty bound to ask the minister to consider this petition and grant refugee status to the Dudka family in Quebec.

[English]

KILLER CARDS

Mrs. Sue Barnes (London West): Mr. Speaker, I have a petition from my constituents to amend the laws of Canada to prohibit the importation, distribution and sale or manufacture of killer cards and to advise the producers of killer cards that their product, if destined for Canada, will be seized and destroyed.

I believe the commercialization and glorification of violence in our society should be abhorred by all. Tomorrow the Standing Committee on Justice and Legal Affairs will start its examination of the government's legislation that will seek to control such serial killer cards. I am glad to be part of that process.

WITNESS PROTECTION AND RELOCATION PROGRAM

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have three petitions. The first one is signed by members of the community of Kamloops, British Columbia, and brings to the attention of the House that currently there is no national legislated witness protection program or witness relocation program in Canada.

It also brings to the attention of the House that there is currently a private member's bill, votable, Bill C-206, which happens to be my bill.

The petitioners pray that Parliament enact Bill C-206 at the earliest opportunity and provide a statutory foundation for a national witness relocation and protection program.

CRIMINAL CODE

Mr. Tom Wappel (Scarborough West): Mr. Speaker, the second petition is signed by constituents of my riding and neighbouring areas of the city of Toronto. It prays that Par-

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liament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, the final petition is also signed by members of my constituency as well as people in adjacent ridings.

It prays and requests that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ETHANOL

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, I have two petitions to present. Pursuant to Standing Order 36 I have a 300-name petition requesting the following:

We your petitioners humbly pray and call upon Parliament to maintain the present exemption on the excise portion of ethanol for a decade, allowing for a strong and self-sufficient ethanol industry in Canada.

SERIAL KILLER BOARD GAME

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): The second petition pursuant to Standing Order 36 is a 200-name petition from the Stayner area of my riding requesting the following:

We the undersigned, your petitioners, humbly pray and call upon Parliament to urge the Government of Canada to ban the sales of the serial killer board game and to prevent any other such game or material to be made available in Canada in order to protect innocent children.

* * *

(1545)

[Translation]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, Question No. 35 will be answered today.

[Text]

Question No. 35—**Mr. Williams:**

What were the names of the federal statutory programs that expended over \$250 million in the fiscal year 1993-94, and under what department or departmental jurisdiction did each of these programs fall?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): There is a table at the front of the 1993-94 main estimates (pages 1-54) which identifies all statutory items in the estimates for that year by program.

The individual items which exceed \$250 million are:

—Payments under the Farm Income Protection Act in the agri-food program of the Department of Agriculture,

—Payments to international financial organizations in the financial and economic policies program of the Department of Finance,

—The public debt charge program of the Department of Finance,

—The fiscal transfer program of the Department of Finance,

—Military pensions in the Department of National Defence,

—Payments to provinces and territories for hospital and medical care in the health program of the Department of National Health and Welfare,

—Payments to the provinces and territories under the Canada assistance plan in the social program of the Department of National Health and Welfare,

—Old age security, guaranteed income supplement, and spouse's allowance payments in the social program of the Department of National Health and Welfare,

—Grants to municipalities and other taxing authorities under the real property program of the Department of Public Works,

—Post-secondary education payments and interest and other payments under the Canada Student Loans Act by the Secretary of State, and

—Payments to railway companies by the National Transportation Agency under the Western Grain Transportation Act.

The above programs account for approximately 97 per cent of total statutory spending.

Mr. Milliken: Mr. Speaker, I would ask that all remaining questions be allowed to stand.

The Deputy Speaker: The question, as indicated by the hon. parliamentary secretary, has been answered. Shall the remaining questions stand?

Some hon. members: Agreed.

Government Orders

[English]

MOTIONS FOR PAPERS

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

The Deputy Speaker: Shall all notices of motions stand?

Some hon. members: Agreed.

The Deputy Speaker: I must inform the House that pursuant to Standing Order 33(2)(b) Government Orders will be extended by 28 minutes because of the ministerial statements.

* * *

WAYS AND MEANS

EXCISE TAX ACT

Hon. David Dingwall (for the Secretary of State for International Financial Institutions) moved that a ways and means motion to amend the Excise Tax Act, the Excise Act and the Income Tax Act, laid upon the table Tuesday, May 24, be concurred in.

(Motion agreed to.)

GOVERNMENT ORDERS

[English]

CANADA STUDENT FINANCIAL ASSISTANCE ACT

The House resumed from May 24 consideration of the motion that Bill C-28, an act respecting the making of loans and the provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other act in consequence thereof, be read the second time and referred to a committee.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I am pleased to rise to speak to this bill this afternoon. I say that because it gives me an opportunity to address the House on a bill which affects the very group on whom we place great hope for our future, our youth.

I am going to approach the bill from three advantage points: as a parent, as a woman previously in pre-doctoral studies, and as an elected representative; but first let me set the stage in terms of our current employment scene because it is inextricably linked to the financial security of our students.

It is alarming to know that Canada is described as a country of structural unemployment. This means that after each of the recessions experienced over the past 20 years unemployment

has declined but overall has remained higher than before each of the recessions.

The International Monetary Fund has placed the blame squarely on generous unemployment benefits which discourage job hunting; greater unionization, centralized wage bargaining and high minimum wages which reduce labour market flexibility; and high non-wage costs which discourage hiring. These are the realities of our job market, not a promising set of circumstances by any stretch. Yet this is what awaits those with high hopes, those who graduate from our universities and colleges and enter this jobless market.

The effects of this situation spill over into summer job opportunities, jobs which mean financial survival for most students. Recent figures show an alarming trend in summer employment opportunities. Current unemployment rates for 15 to 24 year olds remain at 1993 figures, that is 18.1 per cent. This is up from 17.9 per cent in 1992, 14.5 per cent in 1991, and 10.5 per cent in 1990. Students have expressed outrage and now many feel apathetic toward a system of diminishing options.

(1550)

This bill is not only timely. It is absolutely necessary to meet the needs of students in a recovery where there are few jobs, little choice and scarce money. Bill C-28 contains some positive elements and as a parent I commend the government for recognizing that our present system for educational funding is outdated.

Like most families with children in university, mine had to find a balance between parental financial support and other sources to sustain a university education. Our children have worked part time to augment their costs and until they reached 21 years of age this was a satisfactory arrangement. However it was our family's choice beyond that point that our children looked to extending that support network to include government student loans.

It should be noted that it has become increasingly expensive to sustain a reasonable standard of living while attending university. Even with the combination of parental support, a part time job and a student's loan, financial worries remain a consideration and a burden to most students. Our children were no exception.

I recognize like most Canadians that in 1994 our colleges and universities are in a state of crisis. Nobody agrees with this more than administrations, faculty, staff and students either attending or looking forward to attend university or college.

Here are some examples of the problems that post-secondary institutions face today. Federal transfers to provinces fail to keep up with the rate of inflation. Tuition fee increases are inflexible and capped at low levels. There is an ever increasing demand by the public for access to institutions of higher learning. University and college staff unions are demanding and

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winning continuing wage increases that are higher than those in the private sector.

The Canada student loans program or CSLP is an important program. I am pleased the government recognizes that it needs reforming to make it more effective. However it is unfortunate that the government sees the CSLP as the only problem with Canada's post-secondary educational system.

Any student loans program should preserve and enhance the quality and accessibility of post-secondary education, but Bill C-28 fails to do so to any meaningful extent. Despite significant changes in post-secondary education and its clientele, student assistance programs have remained relatively unchanged since coming into existence in 1964-65. Although joint studies of student aid needs have been undertaken on occasion they have not resulted in any formal agreement among federal and provincial governments for a new a comprehensive students assistance program.

In the five-year period between 1988-89 and 1992-93 the university tuition fee price index for Canadians increased by 58 per cent. This means that during that five-year period the adjusted cost increase to a Canadian student was 58 per cent. When one factors in the cost of living adjustment it is easy to see why students are clamouring so loudly about increased costs of education.

During that same time period there was no commensurate increase in loans for students to access. Students were expected to pay substantially increased costs. Yet they were provided with no opportunity to access more funds. As a result more students took jobs to pay for their courses. The effect of this has been to increase the average length of study to five years for what was once a four-year degree program. Because the degree takes five years the student's gross costs increase. This means a student is required to access yet more loan support.

In effect by allowing costs to increase in this manner without increasing access to loans, the government increases its cost to itself. When students are in the system longer they take up more resources. When their loans are larger they are more inclined to default given the repayment system of the past. Ultimately the decision not to increase student loans cost the government more than giving the loans would have done.

(1555)

The best proposal in the bill is to increase by 57 per cent the limit on the loans to students. Interestingly the increase to 57 per cent on loan limits was a recommendation made in a study commissioned by the department of the secretary of state in 1990. However the study made 13 recommendations and this is only one of the 13 recommendations that the government is implementing. Even more intriguing, the government is choos-

ing to implement some proposals that were not recommended by the study at all.

The government says that it is interested in hearing constructive ideas to help it do its job. However it seems content to ignore constructive suggestions commissioned by the government from independent non-political organizations and paid for by the taxpayers of Canada. It ignores them unless the ideas fit with its preplanned agendas. These are often developed in the back room with little attention paid to the realities facing Canadian families.

One of the proposals in the legislation which does not come from the government study is a plan to provide grants to meet the exceptional cost of women students in doctoral studies. I should remind the House that the study of the secretary of state made no recommendations for any grant or loans to women in doctoral studies. For that matter, it made no recommendations for any grants or loans whatsoever that discriminate on the basis of gender.

The wording of the legislation suggests that women have to endure more or exceptional costs as doctoral students. However I believe that women do not incur any more exceptional cost as doctoral students than men do. Many of us have families and mortgage considerations at this point in our careers. When I was a masters candidate and a Ph.D. candidate I did not incur any cost that would not have been equally carried by any of my male colleagues.

The intent of the legislation must not be to redress exceptional costs that women face but to redress the fact that there are limited post-graduate opportunities for mid-career professionals in Canada. Our current programs are inflexible, lacking creativity, and most certainly do not respond to the private sector needs of advanced training and skills requirements.

As well an attempt to redress the statistical difference in the larger numbers of male candidates over female candidates should not be accomplished in such a blatantly discriminatory fashion. The numbers of women in post-secondary institutions have been increasing steadily without violating the Charter of Rights and Freedoms. I do not understand why there is such focus on affirmative action tactics when in my view they are completely unnecessary.

In fact the number of women enrolled full time at universities increased by 79 per cent between 1975 and 1990, while during the same time period the number of men increased by only 19 per cent. Presently women constitute at least 50 per cent of full time students in both colleges and universities and 54 per cent of all part time university students. In 1990-91 women constituted 55 per cent of students at the college level, 53 per cent of full time undergraduates, 45 per cent of masters graduates, and 34 per cent of Ph.D. candidates.

Government Orders

It is clear that women are very well represented in our colleges and universities. They have managed to do so without affirmative action. The implication that women are unable to compete adequately at the doctoral level without special assistance is quite unacceptable to me. I am sure this assumption is one that I and most women and men reject. There is ample evidence to suggest that women can compete fairly on an even playing field at the doctoral level in their studies.

In 1975, 23.9 per cent of all doctoral students were women. In 1993 the 35 per cent figure that I mentioned demonstrates this. This is an increase of 11.1 per cent in 18 years. It is a healthy increase. Yet we must do more to ensure that these numbers grow by ensuring opportunities for both men and women who reach this level of their academic careers.

What is needed is a student assistance program that allocates funds to students on the basis of need. When need is the sole criterion, gender fails to be a consideration. Everyone may apply for a loan regardless of their gender. They must only be able to demonstrate a need for the loan.

(1600)

When this bill goes to committee I am certain the House will see the wisdom in removing such an uninspiring and discriminatory program and will include male doctoral students also.

I stated earlier that I would also speak as an elected representative and offer helpful alternatives to deal with the crisis our students in post-secondary institutions are facing.

The unemployment rate is still 11 per cent. The government seems content to undertake little action and to let it remain at that high level. It was reported in this weekend's *Financial Post* that the unemployment rate for 18 to 26-year olds is close to 18 per cent. Given these staggering figures, it is clear that students will have problems getting jobs and repaying their loans.

The Canadian Federation of Students, the Association of Universities and Colleges of Canada, and the federal government's commissioned study are all recommending income contingent repayment programs. This legislation only waves a hand in the direction of this recommendation by introducing pilot projects. It should put its fist firmly down and introduce the program in its entirety across the country.

As well, the government has spoken of its commitment to quality education in Canada. It has a wonderful opportunity to show Canada the depth of its concern. It could make the transfer payments for education to the provinces indexed with the annual rate of inflation.

What is also needed today is leadership that will establish a national standard of post-secondary education in a flexible environment. More and more Canadian businesses are introducing flexible work hours for their employees. What is needed in the educational system are equally flexible study programs that meet the needs of professionals who are attempting to re-enter the post-secondary education system.

What we need today in Canada is not a government that simply looks at short term solutions to problems. We need a government that cares enough to look to the future in order to provide solutions that will guarantee long term, high quality education in Canada. This government should appreciate all of the ideas shared in this debate.

The Deputy Speaker: There are 10 minutes for questions or comments. Is there any member wishing to do that? Resuming debate.

Colleagues should know that we have now passed the five hours, therefore we have gone to 10-minute speeches with no questions or comments. I understand the member for North Vancouver has unanimous consent to speak for slightly longer than 10 minutes. Is that correct?

Some hon. members: Agreed.

Mr. Ted White (North Vancouver): Mr. Speaker, I will try to be as brief as I can and I do thank the House for agreeing to extend my time.

The present student loans program is a program under which the federal government—for which one can read taxpayers—pays interest on loans negotiated by students at the banks. In 1991-92 the cost was around \$465 million, less about \$110 million recovered on defaulted loans. The program assisted about 235,000 students.

One of the improvements to the program which has been proposed by the Reform Party is the adoption of a repayment system similar to that already in place in Australia, Sweden and New Zealand. The repayment system would be income contingent and would work in conjunction with a more generous loan program.

Such a change would recognize the need by students to have funding available for their education, but it would also ensure that taxpayers were repaid at a future time at a rate dependent upon the earning power of the student.

A carefully instituted income contingent loan program would make university education more accessible. It would move more of the responsibility for the cost of university education on to the students themselves, albeit on a deferred basis.

I have met some students who feel that society should bear the entire burden of their education costs with no loans and no repayment ever required. It would be nice if it were as easy as writing a cheque, but reality is now dictating a more prudent approach.

For those members opposite who rolled their eyes skyward when I said that more responsibility for the cost of education should fall upon the students, I ask that they consider the ability of taxpayers to continue to foot the bill.

Government Orders

(1605)

Two of the countries I mentioned which have instituted the income contingent loan program, Sweden and New Zealand, have faced debt crises within the last decade. We should talk about these things before we are also forced into a situation where a cash crisis makes us make hasty decisions.

I would like to quote from an editorial entitled: "The universities we deserve" which appeared in the *Globe and Mail* on July 27, 1993. It describes how an ICR loan program would work. To quote:

Every university student would be offered a government sponsored loan. These loans would be available not only to poor students, but to anyone who wants help supporting themselves through university. After graduation, the student would begin paying the loan back, with collection taking place through the income tax system. And here is the key to ICR: repayment is income contingent. Everyone would pay back a set percentage of income, not a set amount. Those making a higher income would have to pay their loans off sooner than those making a lower income who would pay it off over a longer period of time. Combined with greater freedom for universities in setting tuition, ICR loans would make it possible for universities to charge a realistic price for their services without harming accessibility.

It would in fact make it easier for some people to go to university, by giving loans to the middle class who are not now considered to be poor enough to merit a Canada student loan. And ICR recipients could rest assured that the government would not, the minute they graduated, be breathing down their necks for payment.

The current Canada student loan plan has a very high default rate. It is only available to people from low income families and has a tough repayment schedule regardless of post-graduation income. ICR would address these problems whilst also helping to deal with the funding crisis in the universities.

The general thrust of Bill C-28 is good but it would be even better with the incorporation of an aggressive income contingent repayment scheme. I hope that government members will support an amendment along these lines at some stage.

In 1991 the Smith Commission of Inquiry on Canadian University Education concluded that: "A preoccupation with underfunding pervades every campus—. The effect is extremely negative". Unfortunately, the solution to that funding problem is not going to come from the federal government. The deficit and debt burdens will prevent us from increasing allocations. Creative approaches are needed and Sweden, Australia and New Zealand have shown that income contingent repayment schemes can assist students and universities at a time when funding is a problem.

A spinoff benefit for taxpayers would be the knowledge that defaults would be all but eliminated. Loans would be repaid over time and in a manner sensitive to the long term earning ability of the student.

By 1992 defaults under the present Canada student loans program had reached almost one-third of the student loans which were at repayment stage. The value of defaults accumulated on the books since 1964 has reached almost \$1 billion and there are significant costs to the taxpayers for the hiring of collection agencies to try to collect on these defaulted loans. The costs are currently reported to be in the range of 18 to 29 per cent of the loans recovered.

Enough is enough. Society is prepared to help students to pay for their education. In fact it wants to help students pay for their education, but some responsibility to repay those loans must be part of the contract. An income contingent repayment plan automatically deducting at source is the fairest and most efficient way to protect the interests of students, universities and taxpayers alike.

It is a fact that individuals with university degrees have a considerably larger lifetime income than those whose highest level of education is high school. In fairness to the taxpayers who helped them get this higher education, students should be prepared to begin repaying their loans as soon as their income permits. This might sometimes mean that loans would not be fully repaid until students were into their 30s or even early 40s, but at least there would be assurance of eventual repayment without the need for collection agencies.

One practical problem that must be overcome is the actual funding of an ICR program. Our cash strapped finance minister is not in any position to raise additional revenues or increase deficits, even for such a commendable cause. We again need to look for alternatives.

(1610)

We could continue to try to raise the necessary money through the commercial banks of course. Alternatively the lending program could raise funds through the issue of bonds. A stock exchange market for second-hand bonds could be subsequently developed, similar to the system used by the Student Loan Marketing Association of "Sallie Maes" in the United States.

What an opportunity for parents, to invest in bonds which would be used to fund income contingent loan programs for students, an investment in the future with the knowledge that repayment would occur through automatic deductions at source. Students applying for loans would of course have to supply their social insurance numbers and their loan contracts would have to be registered with Revenue Canada.

The ICR system is supported by the Association of Universities and Colleges of Canada. The system would remove the present interest exemption during attendance at college and university. This would result in worthwhile savings to the

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taxpayers without having any significant effect on student loan repayments.

In 1987–88 the interest payments by government for students still at college amounted to over \$150 million and collection costs that year were almost \$11 million. The cost of exempted interest payments and collection procedures falls directly on to the taxpayers, but two-thirds of those taxpayers do not have post-secondary credentials. In other words, the present system places an unfair proportion of the cost of the present student loans program on a segment of taxpayers who receive no benefit in return for their generosity. It only seems fair that students who benefit should ultimately be responsible for the cost of the assistance they receive from the taxpayers.

Subsidies in our society are usually justified on the basis of a social benefit of some sort, but in the case of student loans the recipient can expect to receive significant long term private benefits. While these private benefits are accruing the present loan subsidies represent a transfer of income from taxpayers who do not use higher education services for their families.

The sighs and eye rolling on the opposite side of the House may be reaching epidemic proportions so I feel I should give an example of an income contingent loan payment plan.

Let us say that when a student first graduates he or she does not immediately secure a long term job but settles for a temporary job at \$12,000 a year, quite a low salary. The payments on the student loan would be 3 per cent of earnings, or \$360 a year. That is just \$30 a month, hardly likely to cause hardship.

Let us say that as time passes the student secures a job earning \$50,000 a year. The payments could increase to maybe 5 per cent per annum, or \$2,500 per year. It is not an excessive amount but enough to get previous student loans paid off fairly quickly.

If the student became unemployed, then payments would be deferred until his or her annual income rose above the preset threshold once again.

Many students who oppose the ICR program do so because they do not like the idea that responsibility for loans should be more firmly placed upon individual students. They feel that society should pay the full shot. Unfortunately the reality is that the money is not available and unless we introduce programs like income contingent loans, there will be a continuing deterioration in funding levels for higher education.

I might suggest that if the government wants to free up a little more money it would be well advised to take note of an item sent to me by Evelyn Leeburn of North Vancouver. It is a newspaper clipping which reads: "Two Clayoquot protesters themselves

facing contempt charges have won a \$16,000 Canada Council grant to do a documentary on women at the anti-logging blockades". What sort of nonsense is this? This money would be much better spent on higher education.

In summary, I would like to say that Bill C-28 does improve the present situation, even though it fails to show strong and decisive leadership in terms of ICR loans. I give the government credit for including clause 15, part (o) of the regulations, which provides for some experimentation with ICR. We in Reform hope that this will lead to a much larger scale ICR program in due course.

(1615)

Hon. Raymond Chan (Secretary of State (Asia-Pacific)): Mr. Speaker, I am very pleased to have the opportunity today to speak to Bill C-28 dealing with the federal government's plan to reform its program of student assistance.

In my role as Secretary of State for Asia-Pacific, I am well aware of the importance of post-secondary education to Canada's economic and social development in the global economy.

As a member of Parliament I am aware of the crucial role that the Canada student loans program has played in ensuring accessibility to post-secondary education. At the same time, as a parent I recognize the need to modernize and improve the federal government's effort in this area.

As we consider this bill we must learn from the flaws in the current system, for there are flaws. However, we must leave in tact and strengthen the four key principles which have provided the framework for the Canada student loans program over the years; namely, access to assistance for all students in financial need, emphasis on the responsibility of individual students to progress in their studies and to contribute to the cost of their education if they have the means, a balance between public and private sector roles in financing student aid, and a client centred approach to the delivery of student assistance programs based on federal-provincial collaboration.

I would like to suggest a fifth principle, the need for flexibility to adjust to the dynamic learning environment and changing economic circumstances. As we have learned from past experience, change is inevitable.

The student assistance program must be able to adapt to new realities. Therefore the bill has been drafted to allow flexibility to respond to the challenges of the future.

Provinces are aware of the need for greater flexibility and have suggested how the federal and provincial programs may work together more efficiently by further streamlining the financing and administration of our activities.

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Far from being an intrusion into an area of provincial jurisdiction, the Canada student loans program is a model of federal and provincial co-operation. Under this program the federal government has worked closely with provinces for almost 30 years to help equalize access to post-secondary education and training for students in need.

I would also note that the Canada student financial assistance bill continues to provide for provinces to opt out of the federal program and receive compensation. While Quebec and the Northwest Territories have withdrawn from the program, other provinces have not.

In fact, participating provinces have encouraged the federal government to continue to occupy this field and to expand its efforts in the area of student assistance.

Enhanced assistance for needy students is the main reason for this bill. The maximum level of aid has been frozen for 10 years while costs have gone up by 57 per cent. We are acting now to restore a viable and efficient student aid program. Loan limits will be increased to the level they would have been without the 10-year freeze. The full time loan limit will rise from \$105 to \$165 per week, and the part time limit will be increased from \$2,500 to \$4,000.

Debt load will be controlled through the introduction of deferred grants. Interest relief will be expanded to include low income borrowers, and special opportunity grants will be established.

Under the new financing arrangements, all eligible students will have access to loans and income sensitive terms in repayment. In total, the amount of aid to be provided over the next five years will be \$2.5 billion more than over the last five years.

(1620)

Individual Canadians are willing to take responsibilities for their own futures by investing the time and money in post-secondary education and training to equip themselves with the knowledge and skills for success. This is apparent from the fact that Canadians are attending Canada's universities, community colleges and private schools in record numbers.

The question that the government asked itself when considering how to reform the student assistance program was how can we help Canadians undertake the post-secondary studies they need.

The answer came back from the students. Give them the right tools, they said. That is why we are proposing fundamental changes to the student loans program to provide more aid to students and to introduce new forms of non-repayable assistance.

The flaws in the existing student aid programs have become increasingly evident in recent years. Every member of Parlia-

ment in this House has encountered students and former students who have had problems obtaining enough resources to study, or who have had difficulties in repaying their loans.

The proposed legislation would address both of these problems by increasing aid to students and introducing measures to ease the repayment burden on graduates. The reform of the student assistance program will increase educational opportunities and accessibilities for young people and for mature students returning to school, including single parents on income support and unemployed older workers who require training. Unless we can meet the needs of all of these people we are denying them opportunities and we are denying Canada the benefit of their skills and energies.

I would like to stress that the proposed act works for students with disabilities whose numbers in colleges and universities do not come close to reflecting the numbers in Canadian society. Students with disabilities confront many obstacles to full participation in Canada's economic mainstream. Learning should not be one of them. It is believed that fewer than 3 per cent of Canada's full time university and college students are persons with disabilities. This bill will deal effectively with those situations in which a barrier to post-secondary studies has been a lack of resources.

In addition to the increased loans, under the new legislation students with permanent disabilities may qualify for special opportunity grants of up to \$3,000 per year to help cover costs relating to special transportation, interpretation services and technical aids. As well, we will allow flexibility for students who because of their disability must take fewer courses and who require more time to complete their studies.

This legislation will enable Canadians with disabilities to obtain the financing they need for the exceptional costs which they must incur to undertake their studies. Many of the challenges they face can be overcome with their ingenuity and perseverance and a little financial help from government.

Similarly, this legislation will address the special needs of women who wish to pursue doctoral studies in non-traditional fields. Special opportunity grants of up to \$3,000 per year will be available to help women who are taking doctoral degrees in fields of study such as the applied and physical sciences, mathematics and engineering. There will also be special opportunity grants of up to \$1,200 annually for high need, part time students to assist them in pursuing their studies.

The student financial assistance bill is an important step in our social security reform process. We are moving quickly in this area because the need is so great.

To summarize, let me put the reforms provided for in this bill in human terms.

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(1625)

Let us think about the students who are considering post-secondary studies who come into our constituency offices. What would the reform mean to them?

First, because of the new need assessment process, the financial need will be determined based on up to date objective national data which will reflect cost variations across the country.

Second, the maximum loans that they can expect to receive will be increased by 57 per cent to reflect current education costs.

Third, there will be non-repayable grants assistance for students with disabilities, high need, part time students and women in certain doctoral studies.

Fourth, students may be eligible for a deferred grant to help maintain manageable debt loads after graduation.

Fifth, when the time comes to pay back their student loans, they will be dealing with a lending institution which views them not as problems but as long term customers. Lenders will have an incentive to keep student loans in good standing by providing better service and income sensitive repayment. Both the lender and the borrower will view the student loan as the first transaction a long and mutually beneficial business relationship.

This is what the reforms provided for in the bill will mean to students. We are working to improve aspects of the social safety net but this legislation will help steer thousands of Canadians away from the safety net altogether.

Canada must look to its people for growth and prosperity in the years ahead. The new Canada student financial assistance program addresses that reality in a creative and fair minded way.

It will help individual Canadians meet the challenges ahead and build their futures in an atmosphere that encourages and supports their aspirations.

Let me conclude by saying that I am proud to be able to support this bill and I hope it will receive early passage so that we will be able to get on with the job at hand of helping Canadian students look toward their futures.

Mr. Benoit: Mr. Speaker, I noticed the hon. member in his presentation mentioned special funding for certain—

The Deputy Speaker: I do not think the member was here when it was announced that we are now past five hours, and so there are no questions or comments any more. It is strictly 10-minute speeches.

Mr. Jim Abbott (Kootenay East): Mr. Speaker, the Canada Student Loans Act and the activity of it has an impact on five basic segments in our society: the students, obviously; the parents and family members; the university or college boards;

the teaching staff and administration of those institutions; and of course society at large, all Canadians through our economy.

I would like to speak today specifically to the issue of the income sensitive repayment loans in this proposed legislation. Another title for that might be an income contingent loan repayment program.

The reason I address this specifically is that the government has started to take a positive step and will form an element of where we must be going in terms of reforming our institutions for higher learning.

What is an income sensitive repayment loan or income contingent loan repayment program? Simply put, it is a scheme for post-secondary education and it is designed to allow students to pay back their student loans over a period of time based on their annual income.

Upon graduation, the student would begin to repay his or her student loan. The repayment of the loan, however, would link the repayment plan to a student's earnings or ability to pay.

(1630)

Exactly how it would work has been described earlier in the House, but in summary the income tax machinery could be used in monitoring and collecting student loans and in the implementation of an income contingency principle whereby students would pay back a set percentage of their income.

I mentioned that a number of elements within society are impacted. Let us talk briefly about students. Our students are the future of Canada. It is their training that will be pulling our economy forward. Indeed the strength of our economy lies in society at large and within the education that society gains.

However in doing some research for this presentation I took the time to contact some people at the East Kootenay Community College in my constituency. They wrote to me and gave an idea of some problems students are facing as they go through the present system. Perhaps I could make a very brief summary of some problems that faced the students on September 17 last year.

Of the 300 loans that had been submitted to Victoria it is estimated that 100 students had not received the loans as at September 17, obviously the start of the calendar year. It is estimated that 25 per cent of the students who had received loans had the calculations of their awards done incorrectly. Many students were in the process of appealing or reassessing their loans because of application errors. The financial aid office of the community college had been issuing emergency loans and tuition and book deferrals to students who were waiting for their loan documents to arrive or had pending applications. At the end of the month, and they were looking forward, they expected that emergency moneys would have to be made available to the students. I have three children who are now in their mid-twenties and have been through this process with them. I know,

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particularly at the start of a college or a university year, this could be very disconcerting. They had to look for emergency moneys.

Approximately 25 per cent of those students who had not received the loans, believe it or not, had been referred to social services. The report says that because of uncertainties produced by the system, that is their applications went missing or they could not get access to information, many students were actually in panic. The report goes on and on. Clearly this is not acceptable to our future society and to the people who are there for training. That is the present situation.

The second group of people currently impacted by the student loans are the supporters, the parents and the families of the students. Having been through the experience I can report that some calculations occur because the existing formula is absolutely bizarre and would create a financial drain the average family could simply not afford.

The third would be university and college boards. They are dealing with the reality: as there is more and more of a squeeze on resources in Canada and our financial ability to pay, there is more and more of a shrinking of their ability to be able to fund these institutions. They have a strong sense of responsibility.

The fourth area is the staff, be they teaching staff or the staff who support the functions that are happening in the college. It is rather interesting that the vast majority of people involved in the training and teaching of our children, our young people, are very dedicated. There seems to me to be something of an unreal level of expectation on the part of some staff in terms of funding; in other words the bottomless pit or the attitude that we have the ability in Canada to keep on digging the hole deeper and deeper.

(1635)

I believe in the concept of an income sensitive repayment loan because of its inherent fairness to students. First off I believe that students should know it is society's responsibility to create opportunity. They should know that in our society there is no free lunch, that the money must come from somewhere, and that the government is simply redistributing funds it has taken from someone else. They should also know that as they gain their education it obviously opens more jobs for life. On the other hand it is not fair to saddle the students with an inability to be able to repay the loans as our present Canada Student Loans Act has done.

Under income sensitive repayment loans the second segment is the people who are supporting these students. They would also be freed from the responsibilities or freed from the pressure that many of them are feeling at this time. In other words it would be the students' responsibility to negotiate and to repay. They

would have the responsibility for these loans, thereby freeing up the families to the greatest extent possible. As I have indicated, in many situations as it presently stands families are saddled with responsibilities they simply cannot follow through on.

For those people involved with the university and college boards there would be the ability to know what is coming, in other words to be able to deliver services. All Canadians will end up benefiting. The entire economy will end up benefiting as we gain a handle on the whole area of funding student loans and the ability to be able to train all Canadians.

I believe in the income sensitive repayment loans and in the idea the Reform Party has put forward on the education voucher system. Basically the purpose of both these things is to accomplish what we need to accomplish, that is to train our young people but to lighten the necessity for further deficit spending. It has the potential to eliminate deficit spending. The Reform Party is noted for its commitment to reducing the deficit and ultimately getting the deficit to zero so we can start to work on the debt. At the same time the Reform Party is committed to student training.

In summary I say that students do not want a handout; they want a hand up. Income sensitive repayment loans are an important part of the hand up process for students. Therefore I strongly encourage the government to move quickly to expand the proposed section in the new Canada Student Loans Act.

[Translation]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)(a), I have been requested by the chief government whip to defer the division until a later time.

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(1640)

[English]

Accordingly, pursuant to Standing Order 45(5)(a), a division on the question now before the House stands deferred until later this day at 5.30 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

INCOME TAX ACT

Hon. Ralph E. Goodale (for the Minister of Finance) moved that Bill C-27, an act to amend the Income Tax Act, the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related acts, be read the second time and referred to a committee.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it gives me great pleasure to begin debate on second reading of Bill C-27.

The bill proposes to implement a number of amendments to the Income Tax Act and related statutes, most of which are technical in nature. The bill also contains draft legislation for a measure announced in the budget of February 1994 related to scientific research and experimental development, the SR and ED expenditures.

With the exception of the one budget item the measures contained in the bill were announced by the previous government. They were included in a package of technical amendments that were released in August 1993 but never tabled in the House. That package consolidated a number of measures that had been released for public consultation in December 1992 with draft legislation issued by press release during 1993. In a December 1993 press release the Minister of Finance confirmed the government's intention to table the legislation.

As the amendments are mostly technical I will just spend a brief moment reviewing them and allowing the House to proceed with its business. It is very important to note that most of these measures are already in effect and have been so for some time. Many were said to be effective immediately when announced.

This is a perfectly legitimate and normal practice in the House, especially for measures of a relieving nature that modify an anomaly under existing tax law. When simplifying the income tax treatment of automobile operating cost benefits, for example, it would be unreasonable to insist that taxpayers wait out the course of full legislative enactment for relief.

Several of the amendments relate to retirement income plans including RRSPs and certain pensions. One set of measures, for example, is designed to ensure that a taxpayer's RRSP limit reflects in a fairer way the taxpayer's retirement savings under certain types of unregistered pension plans such as foreign pension plans.

The legislation also modifies rules for RRSPs on death and enables the legal representative of a deceased person to pay an RRSP premium on that person's behalf up to 60 days after the end of the year of death.

[Translation]

This bill also proposes to simplify or clarify existing tax rules. I have already mentioned the tax treatment of automobile operating cost benefits. The amendments simplify the way in which these benefits are taxed by establishing a formula for calculating them. This is one change that is sure to please taxpayers.

[English]

Another amendment will allow taxpayers to deduct interest on money that is borrowed to earn business income or certain types of investment income in situations where the property financed by the borrowing has been disposed of at a loss or become altogether valueless. Without this amendment such interest expenses would not be deductible in spite of their business nature and the hardship that could result.

The legislation also provides relief to producers of calcium chloride and diamonds by treating these substances as minerals for income tax purposes. This gives producers access to income tax incentives for mining.

Not every amendment in the legislation is relieving. One is designed to curtail a tax avoidance mechanism used by certain corporations with non-resident shareholders. This technique, commonly referred to as a cross-border purchase butterfly, is used to avoid tax on the sale of business assets. Our tax laws were not intended to provide special breaks for structuring corporate assets sales in this way and the amendment eliminates such undesirable tax advantages.

(1645)

There is also a measure which will give legislative force to the special capital tax, the so-called part VI tax, that has been payable by life insurance companies for taxation years ending after February 25, 1992.

[Translation]

Finally, the bill contains a measure announced in the most recent federal budget, namely draft legislation requiring corporations claiming tax credits for scientific research and experimental development to identify expenditures in this area in their tax returns.

[English]

In conclusion, the amendments in this bill represent technical improvements to our tax legislation, improvements that follow from the ongoing process of fine tuning the tax system in consultations with taxpayers. Most of the provisions are already in effect and many thousands of Canadians have relied on them in planning their affairs.

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In short, this bill should be viewed as a matter of routine but important parliamentary housekeeping. Therefore I urge all members of the House to support it.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, as I remember, the very first bill I spoke to in this House have barely two pages long and contained but five clauses.

Today, we have a bill 177 pages long containing no less than 139 clauses. Of course, we are dealing in this case with the Income Tax Act; that makes a big difference. This goes to show how complex this act is and how hard it is to find one's way through.

I will tell you this is a very technical document, a very technical bill indeed. I will spare you the details, naturally, so as to not to bore you with technicalities, but I would like to say a few words about the process before going any further.

You know, there is always a risk associated with these omnibus bills where many subjects are dealt with at the same time. One gets the impression that a tiny clause, but one with tremendous impact could be hidden in a mass of provisions which are, on the whole, positive. It is like looking for a needle in a haystack and this is to some extent the viewpoint from which I have looked at this bill, especially considering it was initially sent almost at the last minute, leaving us very little time to work on it.

Officials from the Department of Finance did come and explain it to us, but just the same, I got the impression things were going very fast. Furthermore, this is a bill originating for a large part from the previous government, with the exception of the last part concerning research and development and the definition of qualified expenditure.

As for the rest of the measures, they had all been put in place by the former government but not yet translated into legislation. That is always somewhat of a problem of course, because the people who were in charge of analyzing and criticizing the bill at the time are now sitting on the government side. Often, after an election, the members who sit on the opposition side are not the ones who sat there when measures were introduced in the previous Parliament. This is the case in this instance.

Some thought should be given to this process so that, when a Parliament is dissolved and an election is held, legislation like this is not left pending, even if, in all probability, it were to mean rushing the department to put into legal terms the effects of these measures or the latest budget. I think that there would be a way to improve the work of Parliament or in any case to make it a lot easier, to make it unnecessary for the government to pass

the former government's bills and for the opposition to criticize measures which already apply anyway but are being made legal.

I would like to say a few words about the Tax Act in general; it is extremely complex. Often the people whom we want to help with changes to the Tax Act are hardly able to benefit from them because they are unaware of their existence. Often, the effects are weakened by other measures as well.

Over time, the Tax Act becomes more and more complex and cumbersome. When we amend it, we should look at all the other sections, what should be changed as a result, and we end up with total confusion. Besides that, business people now have to deal with an increasingly burdensome tax as well, the goods and services tax which imposes a very heavy administrative burden with very complex regulations. This is hardly the way to stimulate entrepreneurship, and in fact, these measures have the reverse effect, because they just make it harder to understand all these mechanisms.

(1650)

Of course, the people at the Department of National Revenue are experts in this field. The people at the Department of Finance work with these concepts every day. However, I think we should remember that people who are starting a business will have to spend a lot of time promoting their product and making their business a success. This is all very complex for these people. Of course they do consult tax experts and accountants, but why should it all be so complicated.

Even when they consult these accountants and tax experts, they keep coming to our offices for clarification or for an interpretation of the act. They end up filing an appeal with the Tax Court of Canada, and the number of cases is increasing, which goes to show that the process is far too complex.

Since the beginning of this Parliament and even since the Bloc was formed, we have been asking for a thorough tax reform, which is in everyone's interest. It would also involve simplifying the Income Tax Act. I think that a review of our tax system would necessarily mean simplifying the content of this legislation. Unfortunately, what we have here is merely a set of technical amendments, and there is an obvious reluctance to deal with the substance of the legislation.

However, when I look at these 139 sections and 177 pages, it would not have taken much to do a thorough review. If we have to look at so many sections, why not look at them all? This could be done by a group of parliamentarians through existing committees or through a special committee. I am convinced that all parties in this House would be willing to appoint members to make a detailed study. It would prevent a lot of problems.

Everything in society operates on the basis of social contracts. These are not written documents but the way we have agreed to operate as a society. The government spends money according to the options chosen by taxpayers and voters, and in so doing intervenes in the economy to prevent problems that might be

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generated by a free economy operating without reference to a moral authority. So the government spends certain sums of money. It provides for individual insurance mechanisms. It maintains a defence force and does a lot of other things.

So there are a certain number of expenditures are necessary, but to make those expenditures, the government must first get the money. And today, this is becoming an increasingly serious problem. First of all, as far as spending is concerned, people are increasingly getting the impression that governments and their elected representatives do not necessarily spend money wisely, and that a lot of money is wasted. Consequently, this makes them highly suspicious about what they contribute to cover these expenditures. They know full well that they are the ones who are picking up the tab.

The numbers involved here are staggering. This year, the government has brought in a budget of roughly \$160 billion and is projecting revenues of \$120 billion. Despite these \$120 billion, we are still \$40 million short of a balanced budget. This shortfall could be made up with additional revenues resulting from the reduction of certain expenditures.

It is extremely difficult to raise \$120 billion in revenues when people have no confidence in the way this money is spent. People wonder if they are paying their fair share and whether some are paying more than others. Often, when analyses are conducted, the figures prove that this is the case. On examining the taxes paid by individuals and corporations from 1981 to 1991, we see a trend emerging, namely that corporations are paying less tax while individuals are paying more.

We hear it said every day. Everyone agrees that the middle class is being squeezed more and more. These are not merely words, the figures bear it out. We do not have to wait 10 or 20 years for even more sophisticated analyses to tell us that the 1980s were disastrous in terms of the redistribution of wealth. We have the figures right now to show that this was in fact the case. We must wake up to the truth that there is a great deal wrong with our taxation system. Instead of merely making minor technical adjustments to the Income Tax Act, the government should completely review the legislation. We have said as much from the beginning and we are prepared to co-operate in an exercise of this nature.

Obviously, there are a number of proposals that we can make during the budget consultation process this fall. But again, hearings will be held, many groups will give testimony on various matters and it will be difficult to focus as much as we would want on the Income Tax Act per se, on tax measures and expenditures.

(1655)

When examining government expenditures, we must also look at tax expenditures. This is often overlooked. We examine government expenditures, we look at what is spent on defence and other areas but very little at what we give out in terms of tax credits, that is our tax expenditures.

Recently, I read a Department of National Revenue publication on tax expenditures. In many cases data is said to be unavailable and often information is aggregated or put together in a way that makes it extremely difficult to scrutinize. But before compiling it, information must first be gathered. For the sake of transparency, seeing that this government promised to be transparent during this Parliament, it would be interesting to examine tax expenditures in greater detail, to have more information available on the subject.

Of course, time must always be allowed for compilation. That is understandable, but there is no reason not to carry out serious analyses using as base year the previous year or even an earlier one.

So, as I said earlier, the way revenues are collected and spent, this social contract is crumbling, which causes a perception problem with regard to these revenues.

If we look around us in our daily lives, we can see that people feel justified, I would even say perfectly justified for the most part, to make unrecorded transactions. Take the construction industry for example, the home renovation sector and others as well, the service sector in general and, more and more, the products sector where illegal transactions are supposedly more difficult. It is becoming more and more commonplace because people tell themselves: "That money is misused, wasted anyway. I am paying more than my fair share. Why should I make the deliberate effort of giving all that money to people who squander it?"

Perceptions can sometimes be correct, but they can also be false. To clarify the situation, the relevant information should be made available. We should tell people a little more about how we collect these revenues, how we want to proceed and how we will correct deficiencies in the current system. But not a word on the whole tax system has been said since the election. A few principles are outlined in the red book but there is little else.

Because of this revenue problem, we see that we have a growing underground economy. Of course, depending on who does the analysis, whether at Statistics Canada, at a tax summit or somewhere else, experts cannot agree on an exact figure, on the percentage of the economy that is underground. But they all agree that it is a growing phenomenon. The most optimistic analysts say that the underground economy represents at least 2.5 per cent of our economic activity level, while the most pessimistic put that figure at 15 to 20 per cent.

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Even if we take a figure in between, the lost revenues are still enormous. That is why we should tackle this problem seriously and with determination, of course, because it is quite an endeavour. We cannot afford a commission on taxation that will take five years to analyze the problems of five years ago, since its report would already be out of date because of all the things that happened in the meantime.

Basic principles on tax reform have been established and analyzed in the past; they are still valid except that we would, of course, have to improve some technicalities behind all this.

A few cases in point, Mr. Speaker. We have long said that family trusts that shelter large amounts from the tax man must be looked at very closely. I do not want to get into details because we will have the opportunity to debate family trusts in the finance committee in the fall, or we will at least look at this issue. In the meantime, it would be interesting to have the information. We are far from certain that the information required for a good debate will be available. It will be, once again, very difficult. We will argue and disagree on figures because they will not be available or because they will not be provided far enough in advance.

As I know that the parliamentary secretary to the Minister of Finance is listening to me, I would like to ask him to supply us with data from the family trust study. How much did they cost? How much do they represent in lost or deferred taxes in the future for the government? It would be interesting to know these things.

A real minimum tax on corporations has also been talked about for a long time. I remember asking the question to the Minister of Finance in this House and he told me that it already existed and that, if there was no minimum tax, he would be happy to introduce one. Upon checking, I learned that it is not so simple.

(1700)

The minimum tax is on capital. It can seem like a minimum tax except that there are all sorts of ways to reduce it or cancel it so that it is almost zero or even zero. There goes the concept of minimum tax then. Also, it applies only to those with assets or capital investment of \$10 million or more. What happens to those who do not have that much in assets but who do a considerable amount of business?

We could mention medium-sized businesses in general or big businesses with less in assets. This is an interesting problem to explore if we want to have a minimum tax. You do not have to be on the far left to advocate it. The Americans under Mr. Reagan had a minimum corporate tax after a commission investigated it; Mr. Reagan is not known as the greatest socialist in American history, but he decided to bring in a minimum corporate tax.

Turning to the bill itself, I would like to tell you that we have no major objections because some of the measures are already in effect, as for registered savings plans, for example, in order to improve what already existed or to correct deficiencies in the law. There are some more substantial things, but they are mainly very technical improvements to the Tax Act and measures to protect the department from misinterpretations of tax law.

We will give our consent, we will endorse this bill, while reminding that we would like to take a much more thorough look at the whole tax system; tax measures should be considered sooner and care should be taken so that legislation is not passed from one Parliament to another or one session to another and slow to come before Parliament. It should be possible to have debates that are more current, in line with the new government's concern for openness and efficiency.

I conclude by saying that we will support Bill C-27. We still insist that the department, the minister and the government review the whole tax system and the whole Tax Act in order to improve substantially what already exists and restore confidence in the way revenue is collected from taxpayers.

[English]

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I rise today to support Bill C-27. However, the bill shows that the Liberal Party still has nothing new to offer Canadians even after six months behind the wheel of this Chevy government. In fact many of the provisions date back to finance minister Mazankowski and the Mulroney era.

During the election Canadians were promised change, new directions, ideas and initiatives. What they are receiving are rehashed housekeeping bills that have been kicked around since the Tory days, lumped together and packaged as new and improved.

It is bills like this that show members of the Reform Party that the Liberals may have the people but they most certainly do not have the plan.

The sheer size and complexity of this bill is symbolic of what is wrong with our entire taxation system. The title reads an act to amend the Income Tax Act, the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related acts.

The explanatory notes alone almost outnumber the amendments. Bill C-27 covers everything from the tax treatment of automobile operating costs to minerals in the mining industry. It is one inch thick. Once passed it will add more rules, regulations, subsections and pages to the overall complex, confusing and convoluting Income Tax Act.

Government Orders

Let me read something from the Income Tax Act and see if we can understand it after we are finished. Section 23(1) paragraph (c) of the definition "superficial loss".

This is what we have to know by the time we are done:

—in section 54 of the Act is replaced by the following:

(c) was the disposition deemed by paragraph 33.1(11)(a), subsection 45(1), Section 48 as it read in its application before 1993, section 50 or 70, subsection 104(4), section 128.1 or subsection 138(11.3), 144(4.1) or (4.2) or 149(10) to have been made,—

24. (1) Section 55 of the Act is amended by adding the following after subsection (3):

(3.1) Notwithstanding subsection (3), a dividend to which subsection (2) would, but for paragraph (3)(b), otherwise apply is not excluded from the application of subsection (2) where the dividend is received as part of a series of transactions or events in which

(a) a person or partnership

(1705)

I might as well stop. Do we know what a superficial loss is?

The Acting Speaker (Mr. Kilger): I would like to join with the House in thanking the member for that clarification.

Mr. Silye: Thank you, Mr. Speaker, I will be here for a year. The Income Tax Act has become nothing more than a job security program for tax accountants like my hon. colleague, tax lawyers and the bureaucracy.

The Income Tax Act has lost its focus as a guideline for tax collection and governments now rely on it to dictate social policy. Recently I was at a Standing Committee on Finance meeting listening to witnesses on Bill C-17 which deals with the UIC program. The leader of the National Action Committee and the leader of the provincial Conservative Party of New Brunswick said that UIC and CAP are becoming more co-mingled and they reject the merging of UI and social assistance.

In fact, one witness described UIC as an expensive social assistance program which for many is a mainstay of their annual income. The end result is a bureaucratic nightmare that does little to solve the problems that many people face. Look at the problems that have been created in the area of child support payments. The principles of taxation that are upheld within the act are not responsive to the changes that have occurred in our society.

By continually amending the act, governments have buried its usefulness to the public in a bureaucratic quagmire. However just because the Income Tax Act has lost touch with reality does not mean that the government has to follow suit.

I would like to try once again to bring the Chevy government up to speed on the reality of our current economic situation. Government overspending is the number one problem facing the

country and can no longer be put on the back burner only to be reheated at election time.

By adding \$3 billion to current spending, by relying on the national infrastructure program solely as a means to kick start the economy, by gambling with low rate projections for interest rates, the government has embarked on a very dangerous, precarious and weak game plan for Canadians because all of the above adds to our problems, the deficit and the debt.

Operating on borrowed money is nothing more than deferred taxation. This Chevy government, like older model cars, has remained as a big gas guzzler continuing the trend of spending more money than it takes in.

As interest rates and payments go up, so too will the need for new sources of revenue. Instead of spending cuts and living within its means, the Liberal government is using the Income Tax Act to subtly squeeze out extra dollars from small groups in our society without alerting the majority of Canadians.

The Department of National Revenue recently used unenforced rules. They were in the rules but it had not enforced them for three to four years. The department revoked the overseas tax credit which provides incentives for Canadian industries to go after foreign contracts. Not only were they eliminated, but it made the decision retroactive to 1993, 1992 and for 1991. This is not fair to the businesses.

We believe that the Income Tax Act should be simplified and used solely as a means to collect necessary revenues to fund government programs. Government can then decide the programs that are to be legislated and do so outside the Income Tax Act. Enough with the 2,400-plus page act. Let us move toward a simplified tax system that serves a simple and single purpose, to collect revenue. A Reform income tax system, a party that has vision and some ideas for the future, would implement a uniform rate to replace current graduated rates and introduce simplicity, a one page return that is understood by all taxpayers; equality, where people feel that everyone is treated the same; visibility, no more need for tax loopholes and incentives; effectiveness, because it would draw people back from the underground economy.

(1710)

The system would tax people in proportion to their income, family situation and ability to pay. There would be no longer a need for a federal consumption tax. No GST. I know some members opposite appreciate that philosophy because they have expressed it in the Standing Committee on Finance. Those are the bright Liberals.

Here is how it could work. This is a one page system. On one side we have personal income and on the other side the corporate. Both sides, personal and corporate, pay the same relative share. That has a lot of merit. Personal tax and corporate tax

Government Orders

would be set at a rate of 15 per cent or 20 per cent once it is determined how many dollars the federal government needs to pay for social and economic programs and the cost of maintaining this upscale size of government.

If we really need 44,000 people in the Department of National Revenue and Taxation then we have to raise the money to pay for it. The initial rate would be revenue neutral but it is expected that with more people and corporations paying taxes, revenues will be higher and we could apply this surplus directly to the deficit and debt.

I ask members of all parties to examine the idea. I know I am not the only one who believes that the income tax system can be simplified and that a uniform system of tax can work far more effectively than the current system. However, if we do not believe in the one simple philosophy that nobody likes taxes, and they always talk about a fair tax, but the only tax that is fair is if everybody pays the same. That is a little encouragement, a little inducement for the government to have the political will when it is considering the replacement for the GST. It should look at it and make sure it does not keep it complicated, confusing or convoluted. The only way it can do that is to tax everybody on everything the same and solve the problems that creates in other ways.

Rather than making the Income Tax Act thicker with Bill C-27, I urge the government to show some initiative, make the changes that Canadians have demanded, scrap the Income Tax Act altogether. Just get rid of it.

Some hon. members: Oh, oh.

Mr. Silye: You like the humour, I hear, over on the other side of the House. It is the only way I can get attention around here.

A flat system of taxation will lead to a lower overall tax rate, shared fairly by corporations and individuals, a simplified system, and finally create an opening for government to legislate social programs that are more in tune with the realities facing Canadians.

I call on the Liberal government to make the major reforms that are needed in government spending, taxation and the bureaucracy. No more tinkering with legislation or nibbling at the deficit. If this Chevy government fails to make necessary reforms and respond to the changes that have occurred in this great country then it will meet the same fate as the previous government which, as we all know, was downsized from a big Cadillac to an obsolete Pinto.

Mr. Walker: Mr. Speaker, please excuse my haste. I am not known for that usually on these measures.

I believe there is unanimous consent in the House to proceed to committee of the whole right now for consideration of clause by clause study of this bill.

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

(Motion agreed to.)

(1715)

(Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Kilger in the chair)

The Assistant Deputy Chairman: House in committee of the whole on Bill C-27, an act to amend the Income Tax Act, the Income Tax Application Rules, the Canada Pension Plan, the Canada Business Corporations Act, the Excise Tax Act, the Unemployment Insurance Act and certain related acts.

On Clause 1:

[*Translation*]

Mr. Robichaud: Mr. Speaker, I think you will see that there is unanimous consent to call all clauses of this bill as one group.

[*English*]

The Assistant Deputy Chairman: The House has heard the secretary of state. Is it the wish of the House to adopt as one group clauses 1 through 139?

Some hon. members: Agreed.

(Clauses 1 to 139 inclusive agreed to.)

(Title agreed to.)

(Bill reported and concurred in.)

(1720)

The Acting Speaker (Mr. Kilger): When shall the bill be read a third time? By leave, now?

Some hon. members: Agreed.

Mr. Goodale (for the Minister of Finance) moved that the bill be read the third time and passed.

Mr. John Williams (St. Albert): Mr. Speaker, while we allowed the bill to pass through the committee stage without real debate I would like to echo the remarks of the previous speaker on two points. Number one, we are dealing with some amendments that were announced by press conference as far back as December 1992. That was a year and a half ago and the House has only be asked to deliberate these items today.

The Reform Party would like to see some improvements in the way this government and this House are run. I think from now on any time we find material being brought to this House for our consent, 18 months after it has been introduced by press conferences no less, we would take an entirely different point of view.

This House has the privilege of passing legislation. As far as the Income Tax Act is concerned, as we know, many people have made decisions based on these proposals that we are being asked to implement into law today. To go back and have that all changed would make it almost an impossible situation for the people of this country to try to figure out their taxes. Therefore

let us put this government on notice now that this type of long delay will not be tolerated from now on.

The other thing the previous speaker from the Reform Party said concerned the complexity of this document. The Income Tax Act is far too complex, far beyond the comprehension even of many tax experts and lawyers, far less the average Canadian on the street. When it comes to fairness in taxation not only should a tax be reasonable in amount but also a taxpayer should be able to understand on what basis he is being taxed.

The way this Income Tax Act has become over the years is far beyond the comprehension of many Canadians as to how the government levies taxation in this country. This government would be well advised to simplify the Income Tax Act and take that as an ongoing project. No doubt at the speed at which it is introducing legislation in this new government it will take many years. We will leave that for another debate on another day.

Another point I would like to mention is regarding the taxation of life insurance companies. I understand that their taxation may be a little different than others. One of the points that was made was that insurance companies pay an appropriate level of federal tax. I was a little taken back by the words "appropriate level of federal tax".

It seems this government and governments today have this idea that everybody who makes a dollar has to share it with the government, rather than the government saying it needs to collect revenues to pay for the services it delivers to Canadians. We have moved away from that. The fact is we are obligated to share a larger and larger share and now it is almost a majority share of what a person earns. It has to be taken by government in this country. That whole attitude I think is indicative of one of the reasons this country is in the financial mess it is today.

(1725)

One of the items in the bill is the simplification of income tax treatment of automobile operating costs. It took the government a whole year before it could rewrite the rules regarding the simplification of automobile costs. Even today under the new rules to ask somebody to understand the simplified rules is complex, except for one thing; namely, you can work on a very simple rule provided you give more than what would be your normal share to the government.

If you are driving a company car and you use that for a small portion of your private travel, provided you pay taxes on half the cost of that automobile, even if you only use it for 10 per cent or 20 per cent or 30 per cent of the time for private business, they will let you take a simple 50 per cent of the cost and pay taxes on that amount.

It puts the onus on the taxpayer to keep the detailed method, otherwise he is being hosed by the government. This attitude

Private Members' Business

again is endemic and goes back, as I said, to the life insurance company; pay your appropriate level of taxes, make sure you share your profits with us, and as far as taxpayers using automobiles is concerned, provided you pay more than what you would otherwise do you can use a simple method of making your calculation.

The whole system, the whole attitude toward payment of taxes, the collection of taxes by the government I think has to change.

These are the concerns that we have. As I say, 12 to 18 months is far too long for legislation to be presented in this House.

Taxpayers are expected to know the Income Tax Act, which is now beyond their comprehension. The other thing is that if you take a look at the Income Tax Act as published, remember it does not have many of these things that are being proposed today and passed into legislation today. Many of these things pertain to last year, 1993 tax returns. How is the taxpayer expected to know really how he is supposed to prepare his tax return for 1993, which should have been filed by April 30, a month ago, when we are only setting the rules today? That is the type of situation that has to change.

I will close there and hope that this government will take these points under advisement. Then we will not have to go through this process of 18 months after the fact approving legislation.

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

PRIVATE MEMBERS' BUSINESS

[Translation]

HIGH SPEED TRAIN

The House resumed from May 24 consideration of the motion:

That, in the opinion of this House, the government should immediately take the required measures to authorize the construction of a high-speed train (HST) linking the cities of Windsor and Quebec City, as well as the necessary infrastructure.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the motion of Mr. Laurin respecting private members' business.

Call in the members.

(1750)

[English]

Before the taking of the vote:

The Speaker: Order. This is the first time we have voted like this and this is how we are going to do it.

Private Members' Business

Following the adoption of the 24th report of the Standing Committee on House Management on Wednesday, April 29, 1992, the division will be taken row by row, starting with the mover, the hon. member for Joliette, and then proceeding with those in favour of the motion sitting on the same side of the House in the first row.

[*Translation*]

Once we have finished on this side, row by row, we will move to the other side, proceeding row by row.

[*English*]

Then those in favour of the motion sitting on the other side of the House will be called. So all those on my left—

[*Translation*]

—and, Mr. Laurin, you will go first.

[*English*]

—but in the first row in favour of the motion will please rise.

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

(Division No. 41)

YEAS

Members

Asselin	Axworthy (Saskatoon—Clark's Crossing)
Bachand	Bellehumeur
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bouchard
Brien	Bélisle
Caccia	Canuel
Caron	Chrétien (Frontenac)
Crête	Daviault
Debien	de Savoye
Dubé	Duceppe
Dumas	Fillion
Gauthier (Roberval)	Godin
Guay	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Lefebvre
Leroux (Richmond—Wolfe)	Loubier
Marchand	McLaughlin
Mercier	Milliken
Ménard	Nunez
O'Reilly	Paré
Picard (Drummond)	Péloquin
Rocheleau	Sauvageau
St-Laurent	Tremblay (Rimouski—Témiscouata)—48

NAYS

Members

Abbott	Ablonczy
Adams	Alcock
Anawak	Augustine
Axworthy (Winnipeg South Centre)	Baker
Barnes	Bellemare
Benoit	Bethel
Bevilacqua	Bhaduria
Blondin—Andrew	Bodnar
Bonin	Boudria
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Bridgman	Brown (Calgary Southeast)

Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Calder	Campbell
Cannis	Cauchon
Chamberlain	Chatters
Clancy	Cohen
Collins	Copps
Crawford	Cummins
DeVillers	Dhaliwal
Dingwall	Duhamel
Dupuy	Easter
Eggleton	English
Epp	Fewchuk
Finestone	Finlay
Flis	Fontana
Gaffney	Gagliano
Galloway	Gauthier (Ottawa—Vanier)
Gerrard	Goodale
Gray (Windsor West)	Grey (Beaver River)
Grose	Guarnieri
Hanger	Hanrahan
Harb	Harper (Calgary West)
Harper (Churchill)	Harper (Simcoe Centre)
Harvard	Hayes
Hermanson	Hoepfner
Ianno	Iftody
Irwin	Jackson
Jennings	Johnston
Kerpan	Keyes
Kirkby	Knutson
Kraft Sloan	Lastewka
Lavigne (Verdun—Saint-Paul)	LeBlanc (Cape Breton Highlands—Canso)
MacDonald	MacLellan (Cape Breton—The Sydneys)
Maheu	Malhi
Maloney	Manley
Marleau	Mayfield
McClelland (Edmonton Southwest)	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Meredith
Mills (Red Deer)	Minna
Mitchell	Murphy
O'Brien	Pagtakhan
Parrish	Patry
Payne	Penson
Peric	Peters
Pickard (Essex—Kent)	Reed
Regan	Ringma
Ringuette—Maltais	Robichaud
Rock	Schmidt
Scott (Fredericton—York Sunbury)	Sheridan
Simmons	Solberg
Speller	St. Denis
Steckle	Stewart (Brant)
Szabo	Telegdi
Thalheimer	Thompson
Tobin	Torsney
Ur	Valeri
Vanclief	Volpe
Walker	Wappel
Wells	Whelan
White (North Vancouver)	Williams
Zed—147	

PAIRED MEMBERS

Bakopanos	Bhaduria
Charest	Collenette
Dalphond—Guiral	de Jong
Deshaies	Discepolo
Guimond	Hickey
Hopkins	Jacob
Leroux (Shefford)	MacAulay
Mills (Broadview—Greenwood)	Ouellet
Plamondon	Pomerleau
Rompkey	Terrana
Venne	Wayne
Wood	Young

Government Orders

(1755)

The Speaker: I declare the motion lost.

GOVERNMENT ORDERS

[*English*]

CANADA STUDENT FINANCIAL ASSISTANCE ACT

The House resumed consideration of the motion that Bill C-28, an act respecting the making of loans and the provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other act in consequence thereof, be read the second time and referred to a committee.

The Speaker: Pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the motion at the second reading stage of Bill C-28.

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

(*Division No. 42*)

YEAS

Members

Abbott	Ablonczy
Adams	Alcock
Allmand	Anawak
Augustine	Axworthy (Winnipeg South Centre)
Baker	Barnes
Bellemare	Benoit
Bethel	Bevilacqua
Bhaduria	Blondin-Andrew
Bodnar	Bonin
Boudria	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Bridgman
Brown (Calgary Southeast)	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Caccia
Calder	Campbell
Cannis	Catterall
Cauchon	Chamberlain
Chatters	Clancy
Cohen	Collins
Copps	Crawford
Cummins	DeVillers
Dhaliwal	Dingwall
Duhamel	Dupuy
Easter	Eggleton
English	Epp
Fewchuk	Finestone
Finlay	Flis
Fontana	Gaffney
Gagliano	Galloway
Gauthier (Ottawa—Vanier)	Gerrard
Goodale	Gray (Windsor West)
Grey (Beaver River)	Grose
Guarnieri	Hanger
Hanrahan	Harb
Harper (Calgary West)	Harper (Churchill)
Harper (Simcoe Centre)	Harvard
Hayes	Hermanson
Hoeppner	Ianno
Iftody	Irwin
Jackson	Jennings
Johnston	Kerpan
Keys	Kirkby

Knutson	Kraft Sloan
Lastewka	Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacDonald	MacLellan (Cape Breton—The Sydneys)
Maheu	Malhi
Maloney	Manley
Marleau	Martin (LaSalle—Émard)
Massé	Mayfield
McClelland (Edmonton Southwest)	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Meredith
Milliken	Mills (Red Deer)
Minna	Mitchell
Murphy	O'Brien
O'Reilly	Pagtakhan
Parrish	Patry
Payne	Penson
Peric	Peters
Peterson	Pickard (Essex—Kent)
Reed	Regan
Ringma	Ringuette—Maltais
Robichaud	Rock
Schmidt	Scott (Fredericton—York Sunbury)
Sheridan	Simmons
Solberg	Speller
St. Denis	Steckle
Stewart (Brant)	Szabo
Telegdi	Thalheimer
Thompson	Tobin
Torsney	Ur
Valeri	Vanclief
Volpe	Walker
Wappel	Wells
Whelan	White (North Vancouver)
Williams	Zed—156

NAYS

Members

Asselin	Axworthy (Saskatoon—Clark's Crossing)
Bachand	Bellehumeur
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bouchard
Brien	Bélisle
Canuel	Caron
Chrétien (Frontenac)	Crête
Daviault	Debien
de Savoye	Dubé
Duceppe	Dumas
Fillion	Gagnon (Québec)
Gauthier (Roberval)	Godin
Guay	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Lefebvre
Leroux (Richmond—Wolfe)	Loubier
Marchand	McLaughlin
Mercier	Ménard
Nunez	Paré
Picard (Drummond)	Péloquin
Rocheleau	Sauvageau
St-Laurent	Tremblay (Rimouski—Témiscouata)—46

PAIRED MEMBERS

Bakopanos	Bhaduria
Charest	Collenette
Dalphond—Guiral	de Jong
Deshaies	Discepolo
Guimond	Hickey
Hopkins	Jacob
Leroux (Shefford)	MacAulay
Mills (Broadview—Greenwood)	Ouellet
Piampndon	Pomerleau
Rompkey	Terrana
Venne	Wayne
Wood	Young

Private Members' Business

(1805)

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Human Resources Development.

The Acting Speaker (Mr. Kilger): It being 6.10 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

NON-CONFIDENCE MOTIONS

The House resumed, from April 18, 1994, consideration of the motion:

That, in the opinion of this House, the government should permit Members of the House of Commons to fully represent their constituents' views on the government's legislative program and spending plans by adopting the position that the defeat of any government measure, including a spending measure, shall not automatically mean the defeat of the government unless followed by the adoption of a formal motion.

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, I would like to give the floor at this time to the hon. member for Beaver River and, with your permission, speak after her.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

[*English*]

Miss Deborah Grey (Beaver River): Mr. Speaker, I do appreciate this chance to speak to Motion No. 89 and I also appreciate my colleague's good will to let me get on to another function as soon as I am done.

I would like to take this opportunity to lend my wholehearted support to this private member's motion, Motion No. 89, put forward by my friend and colleague from Mission—Coquitlam.

This whole thing deals with the idea of free votes and I would like to preface my remarks by saying something that probably all of us in this House know, and that is that Canadians are seeking dynamic and constructive change in their political institutions. Canadians are asking for political representatives who will listen to them—it would be a marvellous change to have political people listen rather than talk all the time—who will consult with them, who will respond to them, and then will come to Parliament and represent their views.

We in this 35th Parliament have the opportunity as well as the responsibility to examine the concerns expressed by Canadians. For example, we can determine the deficiencies in the way we do

business in this institution and then seek to improve the process to bring about constructive change.

The exercise of freer voting through relaxation of the confidence convention would be a great first step. Freer voting would be a progressive and constructive change in the way we do business in this institution. Freer voting would encourage more consultation with constituents, thus strengthening the link between the individual representatives and their electors. Freer voting will allow ordinary members to demonstrate independence of thought and give them greater influence in committees and in the House.

Members' views, particularly on the government side, will be given greater weight by cabinet and constituents will realize that they too have a stronger voice.

Freer voting is only one of several sensible, pragmatic, progressive parliamentary reforms that this House should adopt to improve the quality of representative democracy in this country. We will serve Canadians well if we adopt this motion by my friend from Mission—Coquitlam during this Parliament.

It is easy to say we are changing the standing orders, we are making all kinds of things different to make sure that members are better heard, and yet we hear stories already about the backbench blues from the government side, realizing that the way the system is set up right now we are not able to have backbenchers have real, solid, significant input to the whole political process, that cabinet makes all those decisions.

Let us look at the historical perspective of it for a moment. I have attempted to do some modest reading on the evolution of parliamentary government in Canada to gain a better understanding of why ordinary members, particularly on the government side, have become so inconsequential in the development of legislation and have become trapped in the iron cage of party discipline.

I was delighted to find that in the British House of Commons in the mid-19th century members acted in a highly individualistic way. Private bills were common, legislation introduced by cabinet members was often amended or defeated without the fall of the government. It would be so refreshing in this House to see that there was a vote taken and that cabinet members perhaps voted against something, or backbenchers voted against a cabinet member's legislation which would not mean the defeat of the government; it would just mean the defeat of that particular piece of legislation.

Our Parliament is fashioned after the British parliamentary system and in the early days of our Parliament political parties were relatively loose associations of like minded people and it was not uncommon for members to vote against the party line. Party leaders spent much time seeking support for proposed legislation and there was continued dialogue between the party leadership and the backbench members. A political career was possible without the backing of a political party.

Private Members' Business

(1815)

If you go ahead to the present from the past you see how different things have become in this very Chamber. It is one thing to talk about the political institutions in Canada and about how things were way back then, but this is the same place we are standing in today and we realize how important it is for MPs in this day and age to be backed by a political party. It was not always this way.

Political parties now have become the dominant actors in the political process. They provide the identity for candidates, the research and policy development process and they have the ability to raise taxpayer supported funds, necessary in large amounts today as we all know to fight an election campaign. Once elected an MP cannot function effectively without the support of a political party. Maybe there are things to be learned and gained from the past.

This growth of political parties and their importance to aspiring or elected politicians has enabled them, the parties, to exercise strict discipline. Those who speak out against party policy or vote against the party line are disciplined. Witness the last Parliament, Mr. Speaker, in which you and I sat. At least four members were publicly disciplined or expelled by their parties.

How well I remember the whole situation in 1990 when a couple of members crossed the floor. They had voted against the GST, the government line, and were banished from the caucus within 24 hours. I laugh always and say they were given the worst fate possible from the government: They had to sit beside the member for Beaver River in the very back row. How times change.

The present situation is succinctly stated by C.E.S. Franks in his excellent work entitled *The Parliament of Canada*, 1989 edition, page 110:

Disciplined parties are necessary for responsible government, but it is difficult to escape the conclusion that discipline is excessive at present. A terribly high price is paid both in terms of bringing Parliament into disrepute and in terms of restricting the contribution individual members can make in Parliament.

As I have come to know some of the members, certainly not all of them, I am impressed with the amount of individual talent and individual skill members possess in this House. It upsets me that we are not able to utilize that to the fullest because of the excessive party discipline.

During the last 30 years there have been all kinds of studies, forums and committees on parliamentary reform. Many recommendations have been implemented concerning the use of Parliament's time, the timetable for business of the House, standing orders, rules of debate, et cetera. Several of them have discussed the confidence convention and the role of members.

Rather than just tinkering with the standing orders or talking about generalities we should look at the most significant and specific of these. That of course is the special committee on reform. It was an all-party committee chaired by the Hon. James McGrath which tabled its report in this house in 1985.

The McGrath report stated that if members are to exert influence over policy making in committees or in the House itself, they will have to be able to demonstrate independence of thought. Again I say how refreshing that would be to see independence of thought in this place where individual members were able to have real input rather than for example, a government backbencher being told: "That's fine, thank you. Cabinet will discuss it and make its decision".

They argued in the McGrath report that the only thing which stands in the way of the exercise of independence is the need for a change in attitude on the part of government. It was not the need for a change in fancy rules, the laws or the constitution of country, but just a change in the attitude of party leaders and private members.

This change in attitude would lead to a reduction in party discipline. It would demonstrate that unquestioned obedience to the party line is not the only route to advancement in the party. Let me digress by saying that unquestioned obedience is expected in a German Shepherd, not in a member of Parliament. We need a change in attitude that would allow members to vote as their constituents wish which at times is against the wishes of the leadership without fear of reprimand or punishment.

The McGrath committee made other recommendations which called for a change in attitude by the government and all members in this House from all sides.

An important change was with respect to the election of the Speaker. The committee recommended that the Speaker cease to be appointed by the Prime Minister. Rather, he or she would be elected by secret ballot of the members. All of us in this House have experienced the positive change which was brought about. The Prime Minister of the day, the Right Hon. Brian Mulroney, allowed that change to take place.

(1820)

In this the 35th Parliament, we had one of the most exciting days of this entire parliamentary term when we saw the election of the Speaker for this House in January. Changes are possible and we are excited about that.

My colleague's resolution is of similar scope. Modest in concept in what it proposes, it asks only for a change in attitude from all members in this House, all backbenchers, opposition parties, government, cabinet and the Prime Minister. A change in the attitude to the confidence convention and a change in

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attitude to the independence of members are what we desperately need now. It is not a large request.

Also relevant of course are the 1991 speech from the throne, and the 1991 constitutional proposals in the booklet entitled "Shaping Canada's Future Together", which of course was the map work, design and the beginning of the proposals for the Charlottetown accord. They noted even though those proposals were defeated soundly there were good things in them. They noted that excessive party discipline and excessive partisanship are factors which erode the public's confidence in their representatives.

The House management committee in its report of April 1993 suggested there be some reform of party discipline and endorsed the idea of freeing up voting in the House: "With few exceptions, motions proposed by the government should be considered as motions of confidence only when clearly identified as such by the government".

The issues have been identified and discussed many times. Solutions have also been identified and discussed. Let us in this 35th Parliament take some action. Let us move ahead and adopt the motion in front of us.

Finally, let me say that even the Liberal red book which was campaigned on in this past election talked about freeing up votes. It is going to be just marvellous to see the government support this motion. Hopefully it will not just be something in the red book, but will be something which is transferred into this green Chamber. The government and opposition parties will be able to say: "We sat in that 35th Parliament of Canada where we made real substantive changes and reforms to the way politics are done in this country. We saw real parliamentary and democratic reform actually happening". We look forward to that and we appreciate the government's support on this matter.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, I am pleased to take part in this debate on the motion standing before us which reads as follows:

That, in the opinion of this House, the government should permit Members of the House of Commons to fully represent their constituents' views on the government's legislative program and spending plans by adopting the position that the defeat of any government measure, including a spending measure, shall not automatically mean the defeat of the government unless followed by the adoption of a formal motion.

Mr. Speaker, the votable motion of the hon. member for Mission—Coquitlam suggests that members will be called upon to speak on the matter of confidence and thence, on the question of free votes.

Moreover, I already rose to speak on the matter in conjunction with the debate on free votes and in keeping with what I said, I

would like to make two observations at the outset. When I read the text, two things caught my attention and left me with some serious doubts as to the relevance of this motion.

The motion starts off by saying that the government should permit Members of the House to fully represent their constituents' views. One has to wonder why a member would not now be representing the interests of his constituents. What the motion is really saying is that a member who does not vote according to the party line is not representing the interests of his constituents.

If we follow this logic, we can only conclude, first, that the election platforms of political parties do not have universal support and, second, that constituent views vary from one riding to the next.

This view of political reality is absurd and purely fictional. Let us not forget that political party platforms are aimed at getting as many voters as possible to embrace the same ideology and to share the same social, economic and political vision of community organization, be it municipal or regional.

(1825)

It should also be noted that this perception of reality negates regional realities. For example, the electorate who voted for the Bloc Québécois represents a regional entity that shares a certain geopolitical vision of that part of North America known as Quebec. How can a reality such as this be denied?

The second part of the motion deals with the principle of confidence which underlies our parliamentary system and the concept of responsible government. In accordance with this principle, the party forming the majority in the House of Commons must be able to demonstrate that it enjoys the support of the majority of the members in the House.

In a majority government situation, this is seldom a problem, except when the majority is very slim. In a Parliament with a government in command of a majority, the matter of confidence has really been settled by the electorate. Consider the last election. The province of Ontario enabled the Liberal Party of Canada to capture an overwhelming majority of seats in the House. Which means that the government party is strongly represented in this province.

Why then should the scope of this principle be weakened, as the motion seems to want to do, if in a parliamentary system, the matter of confidence has only a minimal effect on the way in which House business is conducted? In view of these facts, the Bloc Québécois has some difficulty understanding the relevance of such a motion and supporting it.

Before touching more specifically on the Bloc's position with respect to Motion No. 89, I would like to draw the House's attention to a very timely observation made by the Standing

Committee on House Management which appeared in the committee's April 1993 report on parliamentary reform.

The report stated the following, and I quote: "Each party has to make its own decisions as to whether and when free votes are to be allowed—it is not up to the House, or to other parties. There is no single definition of what constitutes a 'free vote': one can see it in terms of a Member's conscience, a Member's role in reflecting majority opinion in his or her riding, whether the Member's party caucus has taken a position or decision on the issue or not".

No, there is no single definition of what a free vote is and we cannot really have such a thing in the House of Commons. The political environment is changing and is never really the same from one election to the next. How could we have such a rule for a Canada which is so divided, where the very existence of a single nation is challenged by at least a fifth of the population? Under these circumstances, again, it is hard for us to support this motion.

We have said many times that the Bloc Quebecois has no mandate at all from its constituents to reform federal institutions; its mandate is to defend Quebec's interests in the House of Commons according to parliamentary rules and traditions. We do not believe that having free votes in the House could be in Quebecers' interest, since we think that it could diminish the opposition's ability to call the government to account.

Nevertheless, members of the Bloc Quebecois are fully aware of the value for democracy of having the citizens' representatives vote freely in the nation's legislative assembly. If anything gives backbenchers their freedom, it is free votes.

Less party discipline is undoubtedly an effective way to increase a backbencher's autonomy. Having members vote freely in the House on a daily basis would necessarily involve a redistribution of political power in Canada and Quebec.

Of course, we consider free votes for members of the House of Commons to be utopian and in the present Canadian context, we have trouble imagining a situation where all members could express their own political vision of their society, without any search for consensus or any reflection of regional reality.

Nevertheless, let me say in closing that the election results of last October 25 are in a way the expression of a free vote by some two million Quebecers who, by electing 54 representatives from the Bloc Quebecois, stated their dissatisfaction with the old parties. We know that these voters have had it with the Canada-wide politics of the Liberal and Conservative parties and gave the Bloc Quebecois a mandate to achieve sovereignty for Quebec.

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(1830)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, it is with great pleasure that I rise today to participate in this debate on Motion M-89, which reads as follows: "That—the government should permit Members of the House of Commons—"

I have a question to ask right away. We just had a vote in this House 15 minutes ago. The Reform Party voted as a group, as did the Bloc Quebecois. Which party had a free vote? It was the government and not the opposition. So the motion should be rephrased and say instead that the opposition should allow free votes. The government has already done so. The government made that promise in the last election campaign, and delivered on it in this House no more than 15 or 20 minutes ago.

Mr. Bonin: Another promise kept!

Mr. Boudria: Another promise kept, as my hon. colleague from Nickel Belt so eloquently said.

There is another problem. The motion goes on to say:

—including a spending measure, shall not automatically mean the defeat of the government unless followed by the adoption of a formal motion.

I am sorry to disappoint those who tabled the motion but we have already made this change to our rules. It did not happen yesterday but on December 20, 1984. I realize that the Reform Party is a little behind sometimes. Nevertheless, the date was December 20, 1984, and this is what Beauchesne, sixth edition, page 49, has to say on this:

[English]

The determination of issue of confidence in the government is not a question of procedure or order, and does not involve the interpretive responsibilities of the Speaker. Following the recommendations of the Special Committee on Standing Orders and Procedure, as well as those of the Special Committee on the Reform of the House of Commons (December 20, 1984), the House removed references in the Standing Orders which described votable motions on allotted days as questions of confidence.

I would suggest this has existed informally from time immemorial, with the exception of opposition day motions and even in the case of opposition day motions since December 20, 1984.

[Translation]

The members opposite know full well, I am sure, that the defeat of any bill does not automatically mean the defeat of the government. It is the motion of non-confidence and not the bill itself which has that effect; the rules are clear on this. So if the rules do not provide for such an automatic outcome, I am telling you that, in fact, the government or even the House already permits the kind of initiative proposed by the hon. member.

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[English]

This is already permitted. There is no need to permit it; it is already there. Maybe we should say that we should continue to permit it. Would that not be a great idea? Why do we not say that?

Before I conclude I want to bring another proposition to the attention of members of the House about having everything a free vote, if that is what some people are thinking. We must remember the history of this great country in that regard.

[Translation]

I see the hon. member for Bellechasse who is very knowledgeable about Canadian history. I am sure he knows that the 1837 rebellion in Upper Canada and Lower Canada was largely motivated by a desire for responsible government. What that means? It means that a government is defeated when it loses the confidence of the House. Our ancestors fought for this because it was the ultimate test of democracy when a government fell if it no longer had the confidence of the House. That was in 1837. Ironically, the British government had offered to give us responsible government at the time, but here in Canada we did not want it. It took until about 1848 for us to have what could be called responsible government in Canada. After 1837, there was the Durham report, and then it took until 1848.

(1835)

[English]

It is interesting that notwithstanding everything we have said before today I hear members across saying that responsible government with a capital *r* as we know it in this country seems to be something of the past. I do not believe so.

I believe the Prime Minister and his cabinet are there as ministers only so long as I and my colleagues around here allow them to remain the government of the country. Surely if there is any test of how democratic a country can be, that is it. All members of the House could one day withdraw confidence in the government and the government would cease to govern that very day.

Let it never be said that backbenchers do not have power. That is not so. That has never been so, but let us not make this system into some sort of an institution where all of us will become political eunuchs. That would be wrong.

Nevertheless, to conclude, I repeat that some things the member is asking, particularly to the effect that spending measures in a bill shall not automatically mean the defeat of government, is not the case now. It is permitted and we should continue to permit it. That being said, I move the following motion:

That the motion be amended by inserting between the word "should" and the word "permit" the words "continue to".

The Acting Speaker (Mr. Kilger): The amendment is deemed acceptable.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I speak today in wholehearted support of the motion put forward by the member for Mission—Coquitlam.

The motion expresses the importance of having fewer votes in the House of Commons considered to be votes of confidence. This would ensure that the defeat of a government motion would not bring down the government, unless a separate vote of non-confidence was passed immediately following the initial vote.

(1840)

It is important to make the distinction between free votes and freer votes. Presently free votes occur when party leaders release their MPs from the party line and grant them permission to vote according to their conscience or their better judgment. However this may not necessarily be a vote for the majority of the constituents.

Freer votes would mean having fewer non-confidence votes. This would enable members to vote when necessary against their party but for the majority of their constituents without suffering the negative consequences of party discipline.

In order to illustrate my support for the motion the following three questions must be answered. What is the problem with the system now? What changes are needed? How would these changes make Parliament operate better. The problem lies with the succession of Canadian governments which have taken the convention of confidence motions too far, beyond other British parliamentary democracies.

Legally and constitutionally members of Parliament have the right to vote freely in the House now. However the minority governments of the 1960s had to enforce tough party discipline because voting against the party often led to or at least threatened defeat of the government. Members towing the party line could count on favoured status within the party. Given these two factors there was very little incentive for government backbenchers to vote with the majority of their constituents and against the government position.

This move to a system of top down democracy has marginalized the role of backbench MPs. As a result individual members of Parliament have been denied input into the direction and legislation brought forth by their government.

During the 1972 to 1974 Trudeau minority government the interpretation of a confidence vote was loosened considerably. Trudeau declared that the defeat of a government motion would not mean the defeat of the government. As a result he was able to remain in power despite defeat of government motions, marking a return to the more historic interpretation of the confidence convention. Despite this, however, Trudeau maintained

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iron-fist control over members of his party to ensure they voted the party line.

With subsequent governments we have now arrived at an interpretation of the confidence convention in which virtually all votes are considered to be votes of confidence. Therefore changes will be needed in the House in order to make the motion we are proposing today work.

The tradition of tough party discipline can only be reversed with the co-operation of members of all parties. A giant step forward can be made, however, if the Prime Minister were to rise in the House and state that the defeat of a government bill or motion would not automatically defeat the government and, unlike Trudeau, relax party discipline. If this happened we would be well on our way to bringing about this change.

The leaders of the opposition parties must also play a part in loosening the stranglehold of party discipline. A change in attitude is needed to move away from the opposition mentality of automatically opposing everything put forward by the government.

As Reformers we have worked toward providing constructive alternatives whenever possible. This is reflected clearly in the process a Reform MP goes through in determining how to vote on a particular issue.

First, Reformers believe it is the responsibility of each member of Parliament to vote the wishes of the majority of his or her constituents in all cases. How does an MP know what the wishes of the majority are? On important moral issues such as abortion, capital punishment and physician assisted suicide, the issue should be settled by referendum held at the same time as a federal election. Direct democracy is used to determine the wishes of the majority and policy should reflect this.

Because present and past governments have refused to institute referenda as a right on moral issues and on issues presented through citizens' initiatives, Reform MPs go to their constituents through constituency surveys and vote based on the majority view. This is how Reformers will vote in the House on the physician assisted suicide issue, for example.

On certain other well developed policy issues which were presented and debated during the election campaign, MPs will assume that a mandate was given at election time and is valid unless there are indications to the contrary. On other issues which were not campaigned on and in areas where there is not well developed policy, the view of constituents can be verified in different but appropriate ways. When specific issues require an immediate response, like the cigarette tax proposals presented by the government, an MP can solicit feedback from the constituents through a telephone survey. Broader issues of national importance, for example the GST, require more formal mechanisms to determine the wishes of constituents.

(1845)

When various bills and motions come before the House which are not moral issues or when there is not sufficient time to make a survey of constituents, Reformers measure the pros and cons of the proposed bill or motion by asking themselves how it fits in with the party platform and principles. We ask ourselves the following questions as well. How much does it cost? Is it needed? Can we do it for less? The answers to all of these questions determine how we will vote on a given issue.

MPs will vote in the House of Commons based on the outcome of the caucus vote unless they have determined by the appropriate mechanism that their constituents want them to vote otherwise. In such a case the majority wishes of the constituents always prevail.

On issues such as reducing government spending, justice reform and making the political system more democratic there will usually be party solidarity. On other issues opinions may vary and a split Reform vote will occur in the House. This process certainly helped to overcome some of the problems caused by the current over zealous interpretation of the confidence convention, but not all of them.

The motion we are debating today would help change the current mindset that enforces toeing the party line because the incentive of forming a new government as a result of a defeated government bill or motion would no longer exist.

Once the House is rid of this burden it would enable each member of Parliament to freely voice the views of their constituents without fear of party discipline if they contradict the party line.

I believe this will foster more meaningful debate. It will lead to more informed decisions which genuinely reflect the views of the majority of Canadians and ultimately result in better legislation.

Therefore, when members of another party vote against their party line it should be applauded as a sign of strength rather than viewed as a sign of party weakness or a weak link in the party.

Canadians have become truly disillusioned with government because members of Parliament often vote the party line against the majority view of their constituents.

I realize that when Canadians vote for an individual they are also supporting some of the platform the individual and the party ran on during the election campaign. However, it is unrealistic to believe that any one party, even the Reform Party, can accurately reflect the opinions of a majority of people on all issues.

My question is this. Why should members of Parliament be penalized for representing their constituents? The answer is they should not. MPs no longer will be penalized through party

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discipline and trust in government will be restored if this motion is accepted.

In closing there are two questions all members of Parliament might ask themselves. First, what negative consequences could result from backing this Reform motion which would improve the role of individual members and therefore the government as a whole? The answer: none, no negative consequences.

Second, what negative consequences will result if members do not support this motion? Representation will not improve. Maybe there will be no immediate backlash from constituents but as voters see their wishes betrayed again and again over the next four years because members are obliged to toe the party line, the answer will be very clear and it will come in the next election. I believe it will be the same answer the Conservatives received during the last election. Think about it.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I speak today in support of the motion introduced by my colleague from Mission—Coquitlam. I believe members ought to consider three propositions relating to the measures she has placed before the House: first, that freer votes are needed; second, that freer votes are coming; and third, that freer votes should be welcomed.

(1850)

I suggest freer votes together with relaxation of the confidence convention will allow members of Parliament to truly fulfil their responsibility to represent the interests of their constituents in Parliament.

The strength of our party system is of the utmost importance. That is to say party members must act as a team. They must be able to stand united behind a clearly articulated action plan. Parties must be a source of inspiration. They must ensure that MPs do not vote arbitrarily or irresponsibly. That is why we must present them with measures which would enable them to move the system toward a more direct democracy. Indeed in a representative democracy the paramount responsibility of elected members is surely to truly represent not only the party's interests but also those of their constituents.

This is the first of two reasons why I believe freer votes are needed. Put in its simplest terms democracy means rule by the people, not rule by a Prime Minister, not rule by a Prime Minister and cabinet, not rule by elected members belonging to a government party, not even rule by all 295 MPs, but rule by the people.

Regrettably in Canada few would argue that democracy in the full sense of government by the people does not exist. As Professor Mortimore has written, there is only a crude veto power at election time. In the absence of a system that translates informed public opinion into policy decisions, manipulative insiders will continue to make policy and govern.

I believe that democracy is not a fixed imperishable, but a dynamic that must be reinvigorated as old conventions grow increasingly unable to meet the needs of a changing society.

A true commitment to preserve and protect the essence of our democratic system, to ensure that we enjoy the reality, not just have the label of living in a democracy, is why we must now move toward mechanisms like freer votes which will more truly empower a better informed and technologically advanced public.

In addition to our obligation as leaders and elected representatives to preserve and promote truly democratic government there is a second reason why measures like freer votes are needed. The system must change because it has largely lost the trust, respect and support of the people it must serve.

One need look no further than the results of the last election to gauge the anger at the system that prevails in Canada today. It would be a mistake to assume that by changing the players in this institution the Canadian electorate has exhausted its political discontent. The 1993 election was a symptom of the disease, not the cure.

Unless we ensure that national decision-making is more truly reflective of the judgment of Canadians they will continue to express their disdain for the decision-making system and for their representatives with all the resulting negative consequences for our society.

I sincerely believe that only reforms to the system will make it possible for Canadians to develop new confidence in the way they are governed. That is why I believe freer votes are needed as a small and necessary step in the process of reform. I also believe that free votes are coming.

I am a member of a party which is advocating more open and accountable government, subject to checks and balances controlled by the people themselves. The implementation of direct democracy measures such as recall, referendums and citizens' initiatives and freer votes is a key element of the Reform Party program.

(1855)

This is a party that in six short years has already won enough support from the public to elect 52 members to represent the people of Canada in the House of Commons. However, we should be clear that Reformers have not created some sudden demand for direct democracy. Rather we are here because the demand existed but no traditional political vehicle was willing or able to respond to it.

The demand has been intense enough to energize Canadian citizens like me to devote the enormous amount of time and effort necessary to inject an entirely new dynamic into the

political equation. Neither the demand nor the determination to meet it is going to go away.

In addition, changes are occurring in our society which make democratic reforms imperative and inescapable. Citizens are focusing increasingly on their rights and demanding that those rights be met.

In the marketplace now the consumer is boss. Canadians are well educated, well travelled and well informed. They recognize the increasing degree to which policy decisions do not enjoy any broad public support. They comprehend the waste and mismanagement in the administration of the country's economic affairs and the burden of the huge mortgage that has been placed on our future. They are saying: "If anyone were listening to us such poor decisions would never be made. Perhaps it is time we got to make some of these decisions". They are saying these things louder and more insistently all the time.

Dr. David Elton of the Canada West Foundation has stated that we can fight this move toward direct democracy until it sweeps us aside or we can work to facilitate it through a thoughtful and well managed process. But one way or another, measures like freer votes are coming. It is up to us to ensure that this irresistible force does not meet immovable MPs because we have already seen that immovable MPs can and will be removed.

It is only fair to point out that the present Prime Minister has shown absolutely no sympathy or understanding for this clear desire on the part of Canadians to move toward direct democracy. He says he finds the notion of referendums repulsive. When presented with a petition signed by tens of thousands of voters demanding the right to recall a representative who has lost their confidence he says: "You will get your chance in four years and not before". He says MPs should vote as directed by the party they ran as part of and vote as directed by their own judgment. Freedom to vote the wishes of the constituents who elected an MP to represent them in Parliament does not make his list.

In fact the government House leader, in proposing changes to the rules of the House of Commons on February 7 explicitly excluded any mention of free votes, stating that the subject cannot be dealt with by the rules. He then spent considerable time denying the legitimacy of free votes in Canada's parliamentary system, including reference to our constitutional legacy from the United Kingdom. What he failed to mention is that the United Kingdom's Parliament has enjoyed free votes for over 20 years now. He does not explain why this legacy has been ignored in our Canadian Parliament.

I would like to conclude on a positive note with my third proposition that free votes should be welcomed. Canadians, a tolerant and forbearing people by nature, remain willing to

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allow their representatives a good measure of latitude in the exercise of their own judgment and in support for the program a representative's party took to the voters.

Surely it is not too much to ask that when the member's own judgment or party agenda clearly and demonstrably diverges from the broad public consensus in the riding he or she represents that it is the constituents' interests which will carry the day. If we cannot countenance democracy even to that degree, if the views and conscience of one representative must always be able to override the interest and conscience of the thousands of electors he or she represents, then we ought to be honest, admit that we have abandoned the notion of being a democratic nation where the people rule and accept that we have instead an elected dictatorship.

(1900)

Members of this House are glad to live in a democracy. We value and affirm our right as citizens in this democracy to make decisions for ourselves regarding our future and the laws within which we will conduct ourselves.

We recognize that such freedom is meaningless unless we, the elected representatives of Canadian citizens, stand ready, willing and able to give effect to their rights of self-determination by giving effect to their wishes when we vote on their behalf.

We continue to abrogate the democratic rights of our fellow citizens when we refuse to truly represent them for personal, partisan or political reasons. My colleague from Mission—Coquitlam has provided in her motion a very concrete measure by which we can allow our fellow citizens their legitimate role in a 21st century democracy.

It is a measure long since adopted in other respected democracies including our role model of the United Kingdom. Only we as members of this House of Commons, this house of the people, can be agents of needed change. Will we have the courage and commitment to be leaders our constituents can count on to put their interests ahead of our party when it comes down to a choice?

They voted for us. Will we vote for them? I urge members to support this motion.

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, today I rise in the House to speak in favour of Motion No. 89. I would like to thank the member for Mission—Coquitlam for bringing this motion to the attention of the House.

This motion goes to the very root of many of the fundamental problems with the Canadian political system. The motion states:

That, in the opinion of this House, the government should permit members of the House of Commons to fully represent their constituents' views on the government's legislative program—

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That is part of what the motion states. I believe this to be a very important component in relation to parliamentary reforms. There are many approaches that one can take in discussing the full motion. I would like to perhaps focus on what the passage of this motion would mean to MPs who are not in government positions or shadow cabinet positions but relegated backbenchers and what it actually means to them to not be able to participate in government decisions or shadow cabinet decisions, et cetera.

In other words, I am actually trying to explain to the Liberal MPs who find themselves in the backbench row why it is in their best interest to support this motion. One thing this motion would do is give individual members more authority and more responsibility.

The agenda of a government would not simply be written by the cabinet ministers and the top bureaucrats. If this motion were passed, cabinet would have to consult and listen to comments from backbencher MPs when drafting legislation.

For example, when the 1994 budget was drafted, who actually put it together? Were all the members of the Liberal Party which is the governing party sought out for advice on what they would like to see in the budget or was the budget put together by the finance minister and by the people of the finance department?

The basic problem here is that the government which drafts the legislation and sets the agenda is the ministers. Essentially the cabinet is the government. Members of the party that is in power which forms the government are almost in the same position as those in opposition except that they have fewer avenues to express their concerns or voice their opinions.

(1905)

Many government party MPs are unfairly relegated to obscurity because they are not in a cabinet position. They do not have as much opportunity as opposition MPs to ask questions during Question Period; there is a greater number of them so they have less opportunity to give speeches or to be noticed for their efforts. It must be frustrating for the government party MPs to be so restricted in what they can actually do to reflect a positive change on government. This is something that should be changed.

Working on committees with members from other parties has shown me that there are people in all parties with much to contribute to this country. Innovative ideas, thoughtful solutions are not solely possessed by any party in this House. By opening up the process to all members we add much more in terms of ideas, proposals and solutions.

Instead of the government simply counting on unquestionable support of all government party MPs, leaders would have to deal with issues and problems in such a way as to achieve consensus.

The second positive aspect I want to address is that this legislation would enable members to be more responsive to their constituents and to the regions where the need arises. There are certain issues that cut across party lines and form instead along regional or provincial lines; for example, agricultural fishery issues.

The system of voting along party lines has produced the extreme partisanship that currently exists in Canadian politics. I believe this partisanship to be largely negative. It creates a situation in which the opposition must vigorously oppose everything the government does or it is seen as not doing its job.

That is not why I entered politics, nor is it why the Reform Party came to town. We believe that reformers came to Ottawa intent on improving the atmosphere and the workings of Parliament. We came here intending not to partake in partisan bickering but to provide a constructive alternative to the government.

By trying to follow this strategy we have been roundly criticized, especially by the media. Most comments I read in the media seem to think that Reform provides no opposition at all. Our lack of opposition is seen because we are not screaming, yelling and pounding on desks.

Certainly there exists a fundamental difference in political philosophies between the Liberals, Reformers and all parties and we must be aware of that. That philosophical difference should not prevent us all from working together and putting our ideas out in the House, or even forming non-partisan coalitions to effect some positive change.

The more we involve individual MPs in the democratic process, the more the people of Canada will become involved in the process. The people of Canada understand that their political power is essentially limited to a vote every four to five years. They understand that the party with the majority of seats forms the government which then has up to five years to implement an agenda. This results in making people apathetic and cynical about the happenings of governments between elections.

If the election of 1993 showed us anything it was that the people of Canada desperately want their public representatives to represent their concerns rather than simply tow party lines.

I understand that political parties are essential components of our political system and I also understand that we are national politicians who must have a national perspective, but our main focus as representatives must always be the people who sent us here, the people of our ridings. If we do not represent their wishes, why do we call ourselves a representative democracy?

I urge all members of this House to put aside their partisanship when regarding this bill and look at it in terms of its attempt to enable individual members of all parties to be more effective in representing their constituents. Let us demonstrate to the Canadian people that we have learned from the lesson of 1993 and respond to their call for a more open and responsive Parliament.

Private Members' Business

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(3), the order is dropped to the bottom of the order of precedence on the Order Paper.

[*Translation*]

It being 7.10 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 7.10 p.m.)

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