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(HANSARD)

Thursday, May 26, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Thursday, May 26, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

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[*Translation*]

CANADIAN FILM DEVELOPMENT CORPORATION ACT

Hon. Michel Dupuy (Minister of Canadian Heritage) moved for leave to introduce Bill C-31, an act to amend the Canadian Film Development Corporation.

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

* * *

PETITIONS

SENIORS

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, I have the honour to present a petition signed by more than 2,000 residents of my riding of Québec-Est and the surrounding area. The petitioners want to bring to the attention of the Parliament the plight of senior citizens in Quebec, denounce the measures recently adopted by the government, namely age credit cuts and the setting up of inhumane devices such as voice mail boxes.

(1010)

Therefore, the petitioners pray that Parliament will refrain from taking any measures that would reduce their income and make it harder for senior citizens to have access to services designed for them. I wholeheartedly support this petition and I call upon the government to accede to it.

[*English*]

DIVORCE ACT

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, pursuant to Standing Order 36, I would like to present a petition on behalf of my constituents asking the government to amend the Divorce Act to include a provision which would ensure the right of access of grandparents to their grandchildren.

I am adding a further 600 names to the previous thousands I have already submitted. I wish across Canada we could all be aware of the needs of our grandparents and grandchildren today.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, pursuant to Standing Order 36, I am presenting a petition with 400 signatures of residents of Canada whereby these petitioners request that Parliament amend the Divorce Act to include a provision which states that the relationship that exists between grandparents and grandchildren is a natural, fundamental one; that the denial of access can constitute elder abuse and can have a serious detrimental emotional impact on both the grandparents and the grandchildren; and in no case may a father or a mother, without serious cause, place obstacles between the child and the grandparents.

We as parliamentarians have a strong obligation to uphold the right of grandparents and I encourage all members of the House to do so.

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QUESTIONS ON THE ORDER PAPER

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

The Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT

The House proceeded to the consideration of Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994, as reported (without amendment) from the committee.

Government Orders

SPEAKER'S RULING

The Speaker: There are 39 motions in amendment on the Notice Paper for the report stage of Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994.

[Translation]

Motions Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 will be grouped for debate, but voted upon as follows:

a) A vote on Motion No. 1 will apply to Motions Nos. 2, 3, 5, 6, 7, 8, 9, 10 and 11.

b) An affirmative vote on Motion No. 1 obviates the necessity of putting the question on Motion No. 4.

c) A negative vote on Motion No. 1 requires the question to be put on Motion No. 4.

[English]

Motions Nos. 12, 13, 14 and 15 will be grouped for debate but voted upon as follows:

(a) Motion No. 12 will be voted on separately.

(b) An affirmative vote on Motion No. 12 obviates the necessity of putting the question on Motion No. 13 but requires the question to be put on Motion No. 14 which will apply to Motion No. 15.

(c) A negative vote on Motion No. 12 requires the question to be put on Motion No. 13 which applies to Motions Nos. 14 and 15.

[Translation]

Motions Nos. 16, 17, 18 and 39 will be grouped for debate. A vote on Motion No. 16 will apply to Motions Nos. 17, 18 and 39.

[English]

Motions Nos. 19, 20, 21 and 22 will be grouped for debate but voted upon as follows:

(a) A vote on Motion No. 19 will apply to Motions Nos. 20 and 22.

(b) An affirmative vote on Motion No. 19 obviates the necessity of putting the question on Motion No. 21.

(1015)

(c) A negative vote on Motion No. 19 requires the question to be put on Motion No. 21.

[Translation]

Motions Nos. 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37 and 38 will be grouped for debate but voted upon as follows:

a) A vote on Motion No. 23 will apply to Motions Nos. 27, 28, 29, 30, 32, 34, 35, 36, 37 and 38.

b) An affirmative vote on Motion No. 23 obviates the necessity of putting the question on Motions Nos. 24, 25, 26, 31 and 33.

c) A negative vote on Motion No. 23 requires the questions to be put as follows:

i) A vote on Motion No. 24 will apply to Motion No. 25.

ii) Motions Nos. 26, 31 and 33 will be voted upon separately.

[English]

MOTIONS IN AMENDMENT

Mr. John Williams (St. Albert) moved:

Motions Nos. 1, 2 and 3

That Bill C-17 be amended by deleting Clause 2.

That Bill C-17 be amended by deleting Clause 3.

That Bill C-17 be amended by deleting Clause 4.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot) moved:

Motion No. 4

That Bill C-17, in Clause 5, be amended by adding after line 33, on page 3, the following:

“(7) On the expiration of the extensions of compensation plans provided under subsections 5(1), 5(3), 7(2.1) and 7(2.2), these provisions shall be referred to such committee of the House of Commons as may be designated or established by that House for the purpose of reviewing the administration and operation of this Act and the committee shall undertake a comprehensive review of the administration and operation of these provisions and shall, within one year after the review is undertaken or within such time as that House may determine, submit a report to that House thereon including a statement on whether there should be any further extensions of the compensation plans.

(8) There shall be no extensions of the compensation plans to which subsections 5(1), 5(3), 7(2.1) and 7(2.2) apply before the House has considered the report submitted under subsection (7).”

Mr. John Williams (St. Albert) moved:

Motions Nos. 5, 6, 7, 8, 9, 10 and 11

That Bill C-17 be amended by deleting Clause 5.

That Bill C-17 be amended by deleting Clause 6.

That Bill C-17 be amended by deleting Clause 7.

That Bill C-17 be amended by deleting Clause 8.

That Bill C-17 be amended by deleting Clause 9.

That Bill C-17 be amended by deleting Clause 10.

That Bill C-17 be amended by deleting Clause 11.

(1020)

Mr. Williams: Mr. Speaker, I rise this morning to speak on Bill C-17. The first thing I have to say is that Bill C-17 is an omnibus bill. It covers many areas, some of which we support and some to which we take exception.

Government Orders

We have asked the government to break the bill into its constituent parts, which it refused to do. We were therefore left with little or no choice but to put these motions in order that we may stress the point that we agree with some parts of the bill and disagree with other parts. While we will be forced to vote against the bill in its entirety, we wish to go on the record as saying that we do support certain parts of the bill and hence our motions this morning.

Basically we are in favour of the sections pertaining to the freezing of wages of the public sector. As everyone knows we are in a serious debt and deficit crisis. Anything that can be done to help alleviate that problem has to be in the best interests of the country.

However as the Reform Party has pointed out on many occasions, much more could be done by the government rather than turning on its own civil service and squeezing some extra money out of its pockets to help the government come to terms with its debt and deficit situation. If we had not only frozen the salaries of the public sector but eliminated every civil servant in the country and saved every nickel that we were paying in wages to these people, we would still not save even half the annual deficit.

Therefore if the government thinks it is going to balance the budget on the backs of the civil servants, it has it entirely wrong. However the basic concept that we are going to save some additional money because every nickel helps in this exercise has to be supported.

There are some items that I want to point out. One is the extension not only of the salary freeze for an additional two years but the introduction of a two-year suspension of pay increments within the salary grades.

I have had numerous representations made to me as a member of Parliament for the constituency of St. Albert where the Royal Canadian Mounted Police perform the police services. In the RCMP, when a new Mountie graduates from training school, his pay increases semi-annually over the next three years until he reaches the normal salary for a police constable.

With this change the increments of a new RCMP constable are now frozen. Now we have an inequity between the amount of money that is paid to new RCMP constables on the beat and the ones who are there already. It is not that they do not want to do their part, but members of the RCMP are subject to transfer from one part of the country to another more frequently than any other member of the civil service. As they move from rural Alberta or Saskatchewan to perhaps downtown Vancouver the cost of living is going to change dramatically.

They are being asked to maintain their salaries at exactly the same level as they entered the police force rather than have the semi-annual increments to bring them up to the level of any other constable in the force.

(1025)

We see the rise in crime. We have talked about it in the House on many occasions. Perhaps we should give some consideration to recognizing the value that our police force provides to us in the maintenance of law and order. How can we expect them to get by on less than a shoestring? We are not adequately compensating these people as they in many cases put their lives on the line for our protection. We are asking them to do that with less than reasonable salary for the new members of the force.

We support the wage freeze in the public service. We want to do whatever we can as the Reform Party to ensure that every effort is made to come to terms with this horrible deficit that we have. It may be a small step but it is a step that we support with some reservations in some areas.

As I said at the outset, while we will be voting against the bill in its entirety when it comes up for a vote we wish to go on record as having supported the basic thrust of the clause regarding public service wages in Bill C-17.

The other sections that deal with compensation in other areas outside the ones I have mentioned we are basically in support of, especially the one that would freeze the salaries of MPs. We have always wanted to send a clear signal to Canadians saying: "Let us provide leadership".

During the last election that was one of the things that we as Reformers said, that providing leadership to Canadians, demonstrating that we as government and parliamentarians, as those elected to show the way and lead the way in the country, are prepared to do our part to ensure efficient government is provided at a reasonable cost to Canadians at this time when restraint has to be the watchword.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Madam Speaker, I am pleased to rise and speak on the amendments of the Reform Party and the Bloc Québécois grouped for debate, all the more so because this bill is very important to me.

Why do I consider it important? Because it is the perfect expression of the total lack of openness that has characterized this government ever since it came into office.

What do we find in this part? To start with, I would like to tell you that I am pleasantly surprised by the position taken by the Reform Party regarding this part of Bill C-17 because, since the beginning of the debate and even the study in subcommittee—the one which considered all the provisions of Bill C-17—the Reform Party has not demonstrated much interest in what the government has been doing to its employees. The Reform Party did not say a word on the fundamental right to open collective bargaining, a thing that the Bloc Québécois has defended from the start.

Government Orders

As I said, we are pleasantly surprised because, by introducing these amendments to delete all the clauses dealing with the wage freeze in the federal public service, the Reform Party shows it is now more kindly disposed towards fundamental rights like collective bargaining. Consequently, based on the reasoning and the actions of the Reform Party this morning, we can assume that it is also more kindly disposed towards collective bargaining itself and towards workers rights, and that it would be willing to come back to the former system whereby the government and its employees would talk constructively and come to some synergic agreement on working conditions.

(1030)

This means they agree with the new models introduced just about everywhere around the world which call for co-operation between public service employees and the government with a view to finding constructive solutions to controlling public finance problems and to recording yearly deficits smaller than those recorded year after year by the Canadian government.

I am surprised by this. With our motion, which would require the government to come back to the House on the expiration of the compensation provisions in the legislation to debate either an extension or changes to the provisions, we were simply trying to be realistic. We did not want to introduce one or more motions calling for the elimination of all of these provisions since the government, given its majority position, would surely vote against any such motion.

Indeed, while the Reform Party's motion goes further than our deep-seated convictions, our motion is more realistic because it calls for a democratic debate upon the expiration of the provisions in Bill C-17 respecting public service compensation. We are also asking for transparency, something which this government has not demonstrated since the start of this debate.

I will give you one example of the lack of transparency and the attitude of this government which is quickly trying to put one over on us with this omnibus bill before the House this morning. As you know, the sub-committee which considered Bill C-17 was initially supposed to hold two and a half days of public hearings. Some of the provisions in this bill, particularly those pertaining to unemployment insurance which will be debated during the course of the day, are fundamental. The government was trying to stage a reverse kind of filibuster.

The government was attempting to impose some fundamental provisions within the context of an omnibus bill, and had it not been for the actions of the Bloc Quebecois members of this sub-committee, we would not have had two weeks of public hearings during which testimony was heard from at least one hundred individuals.

Transparency will not stifle this government. A similar thing occurred with the Pearson airport bill. Here again, the government tried to hastily pass some fundamental measures, without resolving in any way whatsoever the problem with lobbyists in Canada.

That is what the Bloc Quebecois motion is about. When wage agreements between the federal government and its employees expire, let a transparent public debate be held, let the government account for the decisions that will have to be made and let the whole world see that while this government may be new, it is totally out of date with regard to the relationship it wants to establish between its employees and their managers.

That is not how things are done now. Imposing is no longer an option; and whether we agree with the idea of a wage freeze or not has nothing to do with the matter. But imposing a wage plan upon public servants in a dictatorial fashion will have disastrous effects.

First, it will demotivate workers. Second, it is gagging union representatives. You know that these people have things to say, and a job to do, as they have demonstrated in the past.

I was pleasantly surprised in early February, before the government even tabled its budget, to see public service unions volunteer to make sacrifices that often went far beyond a simple wage freeze like the one now imposed upon them. They came up with positive ways of reducing the annual deficit, increasing efficiency in the federal administration and achieving that wonderful meeting of the minds which we see in many regions in the world yet is totally non-existent here because this government is out of touch and out of date.

(1035)

It prefers to avoid confrontation, like the Prime Minister is doing with the Constitution issue, rather than face the real issues, rather than make real decisions in consultation and, I might say, in a spirit of brotherly love.

That is what the motion put forward by the Bloc Quebecois is about. We want to force a public debate not only on public servants' wages but on wage costs as a whole, the efficiency of the government machine and even suggestions made by the unions.

So, with our motion, the House would debate the issue anew upon the expiration of the wage provisions in the budget and, as I mentioned before, if we had not been so concerned about being realistic and had not considered the fact that this government shamelessly takes advantage of its majority to always have its way, we would have introduced, probably with respect to the Bill C-17 clause on public service compensation, motions similar to those of the Reform Party.

Government Orders

But, because we want to be realistic, we know very well that such motions would probably be defeated by government members. Therefore, we have proposed a very realistic motion, which is likely to be approved by the Liberal members, if they are really concerned about transparency and democracy.

By voting against our motion, they will confirm that the government has something to conceal, that it lacks the political will, that it has no vision, and that it could not care less about civil servants, about the state of our public finances, and even about the improvements that we could all make to the government system which is cumbersome, outdated, and rigid, just like the members of this government.

Mr. Walker: I think there are changes to the text.

Mr. Loubier: I thank the hon. member for reminding me of my technical obligations. We noticed this morning after the motion notices were printed that there were discrepancies between the English and the French versions.

The errors are in the French version. I want to move the necessary amendments with the unanimous consent of the House. In fact, they are not amendments but corrections. If we have unanimous consent, I will read them to you. I would appreciate your accepting them. So shall I read them, Madam Speaker?

[*English*]

The Acting Speaker (Mrs. Maheu): Is there unanimous consent of the House to accept the amendment to the motion by the hon. member for Saint-Hyacinthe—Bagot?

Some hon. members: Agreed.

An hon. member: No.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Do you want to read them for the record?

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Motion No. 4 reads as follows in section 7:

On the expiration of the extensions of compensation plans provided under subsections 5(1), 5(3), 7(2.1) and 7(2.2), these provisions shall be referred to such committee—

The French version, which refers to a House of Commons, Senate or joint committee, should be amended to “a committee of the House of Commons” only.

Instead of “as may be designated or established by Parliament”, the French version should read “as may be designated or established by that House” to match the English text and on the last line, “changes it deems desirable” should be replaced with “whether there should be any further extensions of the compensation plans”. Thank you, Madam Speaker.

The Acting Speaker (Mrs. Maheu): So if I understand correctly, there is no change to subsection (8).

The hon. government whip.

(1040)

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I would like to participate in this debate this morning. After listening to the finance critic of the Official Opposition tell us that the government had things to hide and was doing things in secret, I would not like this debate on this motion to end leaving those listening to us under a completely erroneous impression. I want to set the record of this House straight.

This government was one of the first to establish a process that is open to consultation, first of all in this House where we have special days to debate the budget process. The Minister of Finance held public consultations throughout the country that were televised, not only for those who could take part in this debate, but also for people to follow it on television and even in the committees.

The hon. member referred to the committee where an agreement was first made. We had two days of hearings with all members of the committee. When the opposition asked for more time, their request was granted. We are operating with an order of the House which specifies that we will have two days, today and Monday, to debate the motions after they have been debated in committee at report stage.

So when they tell us that the government wants to rush this through and that we do everything in secret, the opposite is true, because this Liberal government established an open process in which everyone can participate. In the parliamentary reform we made at the beginning, when this House opened, we decided that for the next budget, the finance committee, on which the hon. member sits, will be able to help prepare the budget; it will not be as before, when we learned what the budget was only when the Minister of Finance came to the House to make his speech.

So, it is wrong to say that the Liberal government wants to rush changes through in secret, because everything was done publicly. We are still doing so and will continue to do so. I wanted to make sure that the other side of the coin is seen also and that our listeners can have the other side of the story.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I rise with regard to this series of amendments because this discussion is symptomatic of a rather fruitless debate which has been going on for several years in Canada and in Quebec. On the one hand, it is conceivable to support the Reform Party's amendments for a return to open collective bargaining, instead of having decisions on employees's wages imposed by the government. On the other hand, no lesson seems to have been drawn from past experience. Let us face it: bargaining in the public sector differs somewhat from bargaining in the private sector.

Government Orders

Through its consultation exercise on the budget and on management as a whole, the government should have come up with a vision different from that of the Conservatives. What we have is a Liberal rehash of an old Conservative recipe. Permanent solutions should definitely be found with respect to collective bargaining in the public sector, so as to avoid the current situation, where the government is once again forced to impose wage conditions to its employees, because it did not react soon enough. Indeed, it should have developed labour relations enabling it to reach agreements and implement a real social contract with its employees.

This is probably why the two opposition parties want significant changes to be made. This bill sends the message that government employees are not productive enough, do not work hard enough and that, consequently, they must not be paid any more than they are. Yet, the truth is altogether different. The vast majority of people in the public sector, as in the private sector, do their job very well and the government should have had the courage, the determination and the originality to develop an adequate collective bargaining model for them, because they deserve it.

(1045)

During the first few months of this session, we were able to speak on the issue of the special bill passed to settle the labour dispute at the Vancouver harbour, where once again the government took a stand that showed some unwillingness and inability to negotiate fair agreements. Today, we are faced with this bill and we must deal with it. Unfortunately, we are not being asked to recognize a bargaining system arrived at through consensus by the employer, the government, and by representatives of the employees, the unionized public servants.

For all these reasons, the government should review the amendments put forward by the opposition. Up to a certain extent, the amendments from the Reform Party seem interesting, because they at least come back to the main issue, which is open collective bargaining. But such bargaining between a government and its employees occurs in a different context than bargaining in the private sector. Even if the amendments of the Reform Party are agreed to, we would still need to add new stages to the process.

It seems to me that the position taken by the opposition parties is much more in line with the new way we want to manage our labour relations. In fact, the message the opposition wants to convey to Canadians and Quebecers is this: we are here to see that our employees are treated fairly, and not to stand by while, year after year, the situation remains the same, whether we have a Conservative government or a Liberal government. We have a new government, and it has not made the slightest difference in this area and on several other issues.

I think it is important to watch what new strategies are being applied in this area elsewhere. There must be some information

on compensation in the public and the private sectors. In Quebec, we get this kind of information from the Institut de rémunération, and we have learned that over the last 10 or 15 years, compensation in the private sector has slowly caught up with compensation in the public sector. Forget the tales about overpaid public servants, we are getting closer and closer to wage parity in both sectors.

If it is wage parity that we want, we will have to provide for a bargaining process as free as possible, taking into account the specificity of the government as an employer. Our amendments were to that effect, that is to find ways to oversee the action of the government because they seem to have already made up their mind, and whatever their decisions might be, they have a major impact on the budget for this fiscal year. We thought we had to ensure an adequate control in order to have the opportunity to see the results so as to be able, in the short term, to manage our labour relations in a way which does not de-motivate employees while allowing us to reach normal productivity objectives for the public service, which are measured in terms not only of lower operating costs, but also of job satisfaction.

Employee satisfaction starts with meeting their basic needs. Whenever these needs are not met, workers will not respond to second- or third-level motivation. It is well known among personnel motivation experts that basic needs have to be met before anyone can be asked to contribute more. If these are not met, no other motivational action will work.

I therefore encourage this government to accept the amendments by the opposition, be they by the Reform Party or the Bloc, which all aim at a more realistic bargaining process and at truly equal opportunities for both employer and employees. I hope the government will take heed of the amendments which have been tabled.

(1050)

Mr. André Caron (Jonquière): Madam Speaker, I am glad to speak on the amendment of the Reform Party and that of my party and denounce the Liberal government for continuing the Conservative government's policy of ending what I would call the open collective bargaining in the Public Service.

In the past, I lived through two situations where the government changed the rules of the game and imposed its will. I assure you that that had serious consequences, not on the motivation, but on the morale of the workers affected. Of course, people who work for the government and provide a public service continue to do so. On the two occasions when such laws were passed in Quebec, I observed that the people around me. The public servants continued to do their work well but something had changed in their attitude. It seemed that the workers had become more suspicious or distrustful of their employer, which is the government in this case.

Government Orders

So I think that the government should interfere in open collective bargaining only in extreme situations and I do not think that we are in such a situation at this time. But what kind of a situation are we in right now? We see governments that have lost control over their spending. They must therefore make political decisions to show that, at least, they care for the interests of their people.

What is the first decision? They find a scapegoat and public servants, the government's employees, are the perfect scapegoat. The government will say: "Public service employees cost a lot of money, so we will cut their salaries". When you look at those salary cuts compared to our national debt, it really is not much, but it still allows politicians to say: "Yes, we do spend a lot of money, but remember that we have cut public service employees' salaries". I think that it has simply become an excuse for a government that has lost control of its spending.

There is another point that I would like to raise, and it has to do with the fact that we live in a country where the rule of law prevails. The government can make all the laws it wants to make, but they have to be considered fair and adequate by the people. And when a law is considered questionable and inadequate by all the people, I think that we find ourselves in a situation where the rule of law does not prevail any more. In fact, we find ourselves in a situation where the state wants to impose its will, where arbitrary considerations take precedence. People are willing to negotiate an agreement, to take part in a collective bargaining process, but there is always somebody somewhere that can say no. The contract that was signed in good faith by people who took the time to think about it and who voted during union general assemblies has now been unilaterally and arbitrarily repudiated.

I am in favour of the amendment proposed by my party. However, if it is rejected, the amendment of the Reform Party advocating a return to open bargaining seems more acceptable to me than what we find in this bill. In this instance, the government, wanting to show the people that it is ready to make tough decisions in managing our country's affairs, finds a scapegoat and hits its workers in order to avoid having to look elsewhere.

After spending six months in Ottawa, we, in the Bloc Québécois, know that there are cuts to be made elsewhere. There are things that need to be examined. That is exactly what my party wanted to do at the very beginning of the session when it proposed the establishment of a special committee to review all government spending.

(1055)

When I say all government spending, this includes wages, but this also refers to all things that are bought, things that are sold, things that often seem, even for the layman, ill planned and that

entail expenditures much more substantial than those related to cuts that could be done by a freeze in public servants wages.

I will vote for the amendment proposed by my party and against the main amendment presented by the Liberal government that is putting an end to what I call open collective bargaining in the public service.

Mrs. Francine Lalonde (Mercier): Madam Speaker, I too would like to condemn strongly the fact that this one bill includes all sorts of important issues for Quebec and Canadian society. This bill deals not only with unemployment insurance, as we will see later on, but also with the CBC and with the public service, the subject of my remarks today.

Many public servants listened to the government party's sirens's song. The Liberals told them to change government and re-elect Liberals in order to get open collective bargaining back. Many of them told us how disappointed they were when, a few short months into the mandate of a new government, the wage freeze was extended.

We should know that this is not the first wage freeze. For most of those concerned, this will merely be an extension of an existing freeze.

Public servants are a resource for this country. Their role is to provide to their fellow citizens in Quebec or the rest of Canada the services they need and, most of the time, cannot provide themselves.

This refusal to engage in a real dialogue between negotiating parties has untold consequences in terms of productivity. The way you are dealt with very often determines the way you react. Obviously, you can always coerce somebody into working because there is a salary at the end, whatever the amount. But you can never force anybody to give his or her maximum unless he or she wants to. If we want workers to do their best, and we do need that everywhere now, one of the important things is that they have to feel that they are respected.

One may think that it is arrogant to deprive public sector workers of their dignity with a few paragraphs of a bill which contains measures on programs as important as UI that have attracted the most attention because they affect the most disadvantaged people in society.

The Liberals are at the beginning of their mandate. They are at a stage where they should have started a bargaining process.

(1100)

They should have tried to ensure a settlement, even one which would subject workers to restrictions. Such a settlement implies that there is an exchange, give and take between parties, and that, at the start, the parties put their cards on the table, and respect each other.

Government Orders

All the conditions were in place for the Liberals because they had not been in power for a long time and the economic situation was better. But, by doing what they have done, what they are about to confirm, what they are threatening to do, if I really said what I think, they have blown their opportunity to re-establish a real dialogue with their employees who, let us not forget, are employees of the government and render services which we would not be able to provide otherwise.

Yes, they often have a bad reputation. However, many citizens know that they can count on their civil servants because they know them well, they know about the cuts, the problems that they face, that their workload is heavy, that they are the ones who answer the questions of the elderly taking their problems into account and that they are much better than answering machines with which the government wants to replace them.

We need a public service that gives the best of itself, and it is not by treating it the way we do that it will. On the contrary. This is the reason why—not expecting the government to reconsider its decision regarding the freeze—we proposed this amendment, inviting the government to have this reviewed by a House committee and give the public service the conditions so that they can do their best. By supporting this amendment, the government would at least—despite its tough position—show its commitment to review the whole matter.

It could start right away to prepare the ground for the return to open collective bargaining. It is in this spirit that this amendment has been formulated. We hope that everybody in this House will support its adoption and its implementation.

Mrs. Monique Guay (Laurentides): Madam Speaker, I would like to say how surprised we are with the amendment to the motion of the Reform Party, and I would like very much to congratulate them. I think that they perhaps have a much more realistic vision of the public service today and that they made the right decision.

The lack of motivation of public servants is such that I think it is high time that the government opens its eyes. They already have had a wage freeze for several years, and what the government is doing this year is simply carrying over that freeze once again.

That is totally irresponsible on the part of the Liberal government. With all its good will, it could have renegotiated its contracts with public servants in order to find an area of agreement so that things would be much more realistic. Since it came into office, the government has been proving to us that it refuses to make cuts where it counts.

(1105)

Again, we are talking about tax shelters, an issue that remains taboo in this House. We and the Reform Party are the only ones

who talk about it. We talk about family trusts. How many times did we ask for studies? The government still has not responded. It is impossible to get answers on that issue.

Our economy is not as its best. We should not delude ourselves. I think it is very well known that the economy is not about to make a big start this year. If the government decided to give good wages to its public servants, it would probably help the economy considerably, because the economy is like a wheel. When you give good wages to your employees, they buy more products and they make the wheel turn. The more you freeze salaries the more prices go up and the less people will make the economy work. This is all quite normal.

The government really has made its choices this time. Again, it is always the same people who pay the bill. We have talked again and again in this House of the poorest in our society. We have had discussions on many occasions about social housing, among other things, but the government ignores the issue. We have also talked about the middle class which is the public service.

I have relatives working for the public service who are responsible for big departments and who told me that the rates of absenteeism and sick leave in the public service are so high that it has created a real problem. People lose their motivation and this of course gives rise to absenteeism, sickness, depression problems and what have you, while the number of single parents is constantly increasing. This is why the salary freeze is totally unacceptable.

I do not want to go from one extreme to the other and say that we have to give everything away, but perhaps we should accept open collective bargaining. This is what matters here. I am very happy to see that our Reform friends have changed their minds. I support the Bloc Québécois' motion and hope that for once the government will make wise decisions and sit at the bargaining table. Being at the beginning of its mandate, the government has an opportunity to do so, to prove it is a good government, to sit with civil servants and renegotiate so we can have a public service which is efficient rather than dissatisfied as it has been for many years.

[English]

Mr. Jim Silye (Calgary Centre): Madam Speaker, I rise to address the Bloc amendment in this grouping and to set the record straight on two issues: first, collective bargaining and, second, the purpose of our amendments.

First, at the beginning of the debate on this grouping the member for Saint-Hyacinthe—Bagot indicated that he was both surprised and shocked that we had changed our minds. He felt that the Reform Party was against collective bargaining but with these amendments we had somehow or other changed our minds and were now in favour of public sector negotiations.

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I would like to set the record straight. Our party's position is that we are in favour of collective bargaining. We are in favour of people forming groups and unions. We are in favour of them having the right to strike. What we are against is holding the public to ransom. We are against employers not being able to find replacement workers should they need to. Those are the areas where we have to make the public sector a little more like the private sector.

I say that so that the hon. member for Saint-Hyacinthe—Bagogot will realize that we have not totally changed our position on that issue.

Second, I would like to set something straight on the omnibus bill of the government, Bill C-17. We object very strongly to the bull-headed, arrogant fashion in which the government brings forth legislation dealing with five or six different areas of the economy, lumps it all into one bill and tries to force it on an opposition party, not allowing us to question the purpose of each area or to evaluate each individual category separately.

The Reform Party had to come up with a strategy. I guess it is a political game to come up with some amendments to the omnibus bill in order to force debate.

(1110)

What is happening now is based on Reform Party strategy and on what we feel is in the best interests of all Canadians so that we can discuss each of these five categories separately instead of them being all lumped together in order to confuse everybody.

We wish to point out those areas of the bill that we favour and those we are against. When it comes to voting on the groupings on this bill, I warn the members of the Bloc Québécois that although we are getting compliments for changing our minds, we have not changed our minds.

Do not be surprised that we will be voting against our own amendments in the groupings.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Madam Speaker, I am very happy today to say a few words about Bill C-17, the group of amendments proposed by the Reform Party and the way those amendments are being dealt with. I think that there are more than thirty of them. Of course, we have put about ten of them together and decided to vote on these ten amendments.

As far as I am concerned, I am in favour of some of those and against some others. Since I have to vote on a group of amendments, I find myself in a very awkward position.

That being said, I would like to talk briefly about unemployment insurance and the way this government treats our society. It is said to be a Crown corporation, but the government acts as if it was its own business. All of a sudden it decides to increase the

unemployment insurance premiums, to reduce the benefit period and to increase the number of weeks that one has to work to be entitled to unemployment insurance benefits.

It is a hard blow on employers and employees who both have to pay higher premiums. At a time when recession is so hard on us, I wonder how the government can consider such a measure to be reasonable and responsible.

Madam Speaker, once again, and I am talking here only about employers, I realize that small and medium-sized businesses which will be burdened with this increase in premiums are still going to see their chances of success diminish—

[*English*]

Mr. Hermanson: Madam Speaker, I rise on a point of order. I would like confirmation that we are still on part I, public sector compensation, and not on part V, unemployment insurance.

The Acting Speaker (Mrs. Maheu): We are indeed on part I, which is a grouping of resolutions on remuneration.

[*Translation*]

Mr. Leblanc (Longueuil): This puts a very heavy burden on companies and their employees, and I must say that reducing the number of weeks during which unemployment insurance benefits may be received will have a negative impact which will be very costly for the provinces, especially in Quebec.

Reducing the number of weeks during which people are entitled to unemployment insurance means that when they run out of benefits, and this will happen soon as a result of the government's proposal, they will have to go to Quebec's social assistance department for help.

It is estimated that in Quebec, another \$500 million may be needed to help the unemployed when their unemployment insurance benefits run out.

(1115)

In other words, the federal government has used this devious approach to pass its financial burden—the unemployed—onto the provinces. That is unfair, and irresponsible.

We see this happening in other sectors as well. For instance, when medicare was introduced, the provinces did not want the federal government to be involved in health care because it came under their jurisdiction. At the time, the federal government said: "Do not worry, we will establish national standards, we will control health care and introduce regulations, and of course we will also provide 50 per cent of the money required. We will collect the money from the public and give it back to the provinces—they did not say that, of course—and it will be a nice present for the provinces, because we will pay 50 per cent of health care expenses. But of course they never said the money would come out of taxpayers' pockets."

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So the federal government took control of health care with its national Canadian health care policy. But today, the government pays only 30 per cent, not 50 per cent, and the provinces pay 70 per cent of their health care bills. And meanwhile, the federal government still insists it should oversee medicare.

More or less the same thing is happening in the case of unemployment insurance. In this case the approach is even more devious. The government says it will reduce the number of weeks during which people have access to benefits which means the provinces will have to take up the slack and ensure that these people can continue to eat and sleep and heat their homes in the winter, in this harsh climate of ours. This is outright hypocrisy.

The government also says it does a lot of consultation. It does, but it is not really listening. It does what it feels like doing. To consult usually means to listen to what people have to say, but the government does not listen. It does not respect their views. That is what their consultations amount to.

When the government decided to raise UI premiums, it said that it was gradually getting out of unemployment insurance programs, but since it was still paying, it also wanted to get involved in training as well. Since I will not have enough time to expand on this point, I will mention what happened and what I heard in committee during the past few years.

The Conseil du patronat and the unions said: Listen, if we as employers and employees have to pay most or all of the unemployment insurance premiums, why does the government continue to manage the program? The Conseil du patronat said, for instance: If we pay and the employee pays, why should we not be responsible for managing unemployment insurance?

For the benefit of our listeners, a distinction must be made between unemployment insurance and job training. The government has managed to confuse the issue, but basically, employees and employers pay about the same for unemployment insurance, while the remaining amounts go to job training. This is another example of federal interference. It takes the money contributed by companies and their employees to provide job training, although this should be strictly up to the provinces.

So, employers and employees say: "Look, we would be willing to administer this unemployment insurance corporation, since we are paying for it. This way, we would assume our responsibilities". The government would not make all kinds of unrealistic rules which often do not reflect real needs; employers and employees would administer the fund and probably have a more responsible attitude. Employees would not be dismissed without due cause, and neither would they resign on a whim. They would realize that acting this way would bring about an increase in unemployment insurance premiums.

I personally believe that people must be given more responsibility. They must be able to administer their own unemployment

insurance program. It could provide a good example to have the unemployment insurance fund administered by employees and employers.

(1120)

The Acting Speaker (Mrs. Maheu): I want to clarify something for the members. Motions dealing with the same subject have been grouped together. Therefore, motion No. 1 deals with compensation.

[*English*]

The grouping of resolutions on which members will be voting as groups of motions is under sections or parts of the bill. This particular group is under compensation. I thought I would clear that up in case members had any doubts or questions on it.

Mr. Hermanson: Madam Speaker, I rise on a point of order. Would you also clarify whether I am correct in understanding that a member may speak once to each of these areas and then not speak again? In this case would the hon. member be able to speak on compensation later on, or is he entitled to speak again to unemployment insurance, so that we are not having two swings at the same ball here?

The Acting Speaker (Mrs. Maheu): At the present time we are speaking on Motion No. 1 which is on part I, compensation.

Mr. Hermanson: Madam Speaker, just for clarification, if a member has spoken on unemployment insurance, would that member again be able to speak on unemployment insurance when that grouping comes before the House?

The Acting Speaker (Mrs. Maheu): Members desiring to take part in the debate will be able to debate on every group of motions.

[*Translation*]

Mr. René Laurin (Joliette): Madam Speaker, I thank you for the opportunity to speak to this motion, firstly because I am the critic for public service renewal and secondly, because I am familiar with the collective bargaining process from a labour standpoint, having served as president of a teachers' union.

When one wishes to increase employee motivation, the first thing one must do is respect the employees, not only by following universally accepted practices, but also by engaging in ongoing dialogue and by paying attention to arguments put forward by the union, particularly when the aim is to improve the situation. Federal public servants realized that the government had financial problems, was deeply indebted and needed to find ways to resolve the situation. Public service unions even made some suggestions to the government on ways to achieve these objectives without singling out public servants to bear the full brunt.

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The government apparently did not even bother to seriously discuss these proposals. Instead, it imposed a salary freeze. Not only did it freeze salaries, it also imposed a freeze on pay increment increases. This action means that public servants not only take an immediate step backward, they also lose ground for the rest of their working days. Those nearing retirement will see their pension calculated on the average salary earned during the last five or six years, and this salary will have been frozen.

Everyone recognizes that the federal public service is highly competent. The members who have been here for several years have repeatedly said so. We have had the opportunity to judge this for ourselves since starting to work in this House and to rely on the help of the public service.

(1125)

You cannot on the one hand, contend that these people are competent and deserve our respect and on the other hand, disregard what they have to say concerning possible solutions to government problems.

The best way to ensure someone's co-operation certainly is not to kick them in the rear end. If you want them to work together with you, you cannot just tell them they are nice, good and intelligent people and then turn around and completely disregard their proposals for making things work better.

The way the government has gone about imposing a wage freeze on its employees without any consultation or rather serious consultation, because some may say they have been consulted. Meetings were held, speeches were made and legislation was passed. But that can hardly be called serious consultation. Serious consultation sometimes involves changing your approach.

That is why we are requesting today that before making decisions in that respect, the government be required to submit its plans to a committee of the House of Commons so that a public debate can be held to allow the public to determine whether these decisions were made too hastily or at the expense of a segment of the population, one which has unfortunately been a favourite target over the past ten years. The middle class is always targeted. Yet, it is the one expected to pay yet more income tax. The middle class has been a cash cow for the past ten years. Now it is being eliminated without any regard for its contribution to the nation's coffers.

As far as I am concerned, this is no way to establish and maintain good union-management relations and I hope the hon. members will support the motion before us not only out of fairness for this segment of population but also to show the government's regard for all those members of our society who

are willing to co-operate, by asking them to pay no more and no less than their fair share.

The government must figure out what can reasonably be asked from this group of government employees without affecting their motivation, credibility, enthusiasm and the respect they have for their employer.

I hope we will show them the same respect and from now on have these people join us around the table for the sake of maintaining the atmosphere of confidence that must continue to exist in the Public Service.

[English]

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it.

And more than five members having risen:

[Translation]

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 76(18), the recorded division on the motion stands deferred.

The recorded division will also apply to Motions Nos. 2, 3, 5, 6, 7, 8, 9, 10 and 11.

Mr. Crête: Until what day?

The Acting Speaker (Mrs. Maheu): Until Monday evening after the debate.

(1130)

Mr. Loubier: Madam Speaker, what about Motion No. 4? Are we going to vote on it right away or wait until Monday evening?

The Acting Speaker (Mrs. Maheu): It depends on the results of the vote on Motion No. 1.

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Mr. Loubier: So if Motion No. 1 is rejected, does it mean that we will vote on Motion No. 4 Monday evening?

The Acting Speaker (Mrs. Maheu): That is correct.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot) moved:

Motion No. 12

That Bill C-17, in Clause 12, be amended by adding after line 36, on page 6, the following:

“(3) The operation of this section shall be reviewed on a permanent basis by such committee of the House, of the Senate or of both Houses of Parliament as may be designated or established for the purpose.”

[*English*]

Mr. Stephen Harper (Calgary West) moved:

Motions Nos. 13, 14 and 15

That Bill C-17 be amended by deleting Clause 12.

That Bill C-17 be amended by deleting Clause 13.

That Bill C-17 be amended by deleting Clause 14.

[*Translation*]

Mr. Loubier: Madam Speaker, I am pleased to speak on this part of Bill C-17 and the amendment proposed by the Bloc Québécois, that is, to designate a parliamentary committee to review the operation of this section on a permanent basis.

This section deals with the federal-provincial tax agreements on the Canada Assistance Plan, in particular the freeze on federal contributions to the CAP.

The Canada Assistance Plan has often been the subject of harsh criticisms, which were quite justified in some respects, especially since the CAP is a shared-cost program where costs are split 50-50 between the federal government and the provinces.

The main criticism expressed in recent years is that this formula favours the richest provinces, which can invest in assistance programs and initiatives in the hope that the federal government will pick up half the costs.

I can tell you that the changes made by the previous government were rather fair in some respects and more socially equitable or democratic than those of the current government, which calls it a general freeze.

What the Conservatives did is freeze federal contributions to the CAP for Canada's three richest provinces, and with good reason. Contributions were frozen for Ontario, Alberta and British Columbia.

Then the Liberal government comes to office and decides to freeze contributions for all Canadian provinces, whether rich or poor.

(1135)

So I would say to you that the Liberal government is less liberal than the previous Conservative government. I would say that it is like what we have been getting since the morning of

October 26, under the cover of social democracy or even socialism, in some respects. Rules that are not quite social democratic are imposed on us. As was mentioned in the previous debate, we are forced to put up with an attitude that is not quite open and not quite fair when it comes to equity between the provinces, for example, or fiscal equity in general.

Madam Speaker, just capping CAP and funds for post-secondary education will cost the Canadian provinces at least some \$2 billion in 1995-96 alone.

I was telling you about the federal government passing the buck to the provinces because of the inability of this government, like its predecessor, which was strongly denounced by members of the present government, to regain control of the public finances in a responsible manner, not by shifting financial problems to the provinces as they have been doing since the morning of October 26, and when it is not the provinces, sovereigntists are blamed for the poor economic situation or the bad state of Canada's finances; sovereigntists are accused of creating instability and causing high interest rates, although it is the present Minister of Finance who cannot properly manage Canada's finances without passing the buck to the provinces, who is responsible for the economic crisis and the way the government's finances are headed for disaster.

We deplore this attitude of the present government, just as we deplored the ceiling on equalization payments when we had to debate that issue. In both cases, behind these shameless, ill-considered decisions, we find the same incompetence of those who are running this government.

In this regard, let me remind you that, in the House, we are constantly hearing government members, as well as Reform members, claim to be great Canadians while disregarding—and the debate we had on equalization is still clear in my mind—, sneezing at or dismissing offhand one of the fundamentals of Canadian federalism which is fiscal federalism. They want to limit expenses such as equalization payments, which constitute the underpinning of fiscal federalism, and they congratulate themselves for capping or freezing payments, knowing very well that they are destroying one of the fundamentals of the system for which they stand as great Canadians. That explains why the system is in total disarray.

Anyway, I think that the members of the Bloc Québécois have made the right decision, which is to leave that system behind.

According to our motion on this clause, which limits federal transfers made under the CAP, each time a freeze, cap or cut is introduced on such basic programs, the matter would have to be debated, and the government would have to justify its support for the hateful measure and put up with our telling it that its so-called system based on equalization payments or transfers under the Canada Assistance Plan is faulty. This system attacks the provinces with impunity and it shamelessly off-loads the federal government's fiscal problems onto the provinces.

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(1140)

I also recommend a follow-up on these bad decisions, this government's shameful decisions, a follow-up on the impacts, because there will indeed be repercussions. To freeze all contributions to every Canadian province, including the poorest ones which are experiencing the most serious problems in terms of welfare recipients and underemployment in general and which include Quebec and the Maritimes, can only have disastrous consequences from an economic and social point of view.

This decision by the government follows another one which we will have the opportunity to debate this afternoon and which concerns the Unemployment Insurance Program where, once again, the government is prepared to totally destabilize and demoralize entire communities, particularly in Quebec and in the Maritimes, which are in no position to support such hardship.

We too could have proposed the deletion of this part of Bill C-17. However, unlike Reform Party members, we are responsible people. We know that tax agreements were signed by the provincial and federal governments and this is why we did not deem appropriate, particularly with a majority government, to ask that these clauses be deleted.

However, we are proposing transparency, honesty and, more importantly, we want this government to be accountable to the House and to Canadians for the shameful decisions it has been making since it took office, decisions which are in total contradiction with the agenda and the vision—because the Liberals think of themselves as visionaries—which it keeps referring to. I submit this amendment and ask all members to support it.

[*English*]

Mr. Stephen Harper (Calgary West): Madam Speaker, I am rising also to speak on these motions at report stage of Bill C-17, the Budget Implementation Act, particularly at this time motions dealing with sections 12 to 14, the fiscal transfers portion of the bill.

We are debating four motions, three of which I have moved, and I want to clarify my reasons once again for moving those motions. We have opposed the bill because of its omnibus nature. We insist upon having a debate on the floor of the House of Commons on each section of the omnibus bill because this should not be one bill.

I raised a lengthy point of order at second reading on this particular issue. I realize that the Chair ruled against it and I respect that decision which was based on precedent. I nevertheless reiterate that precedent is an unfortunate way to proceed here because we do have a new Parliament. We have a chance to right some of the wrongs and some of the questionable practices

we have fallen into, in particular the practice in recent years of presenting omnibus legislation with respect to budgetary matters.

This particular section which I want to address in report stage today concerns fiscal transfers and specifically two areas: the CAP or Canada assistance plan and the PUITTA or Public Utilities Income Tax Transfer Act. We very reluctantly support these particular aspects of the bill, although my amendments are here to provide us with an opportunity for debate on this specific portion.

Let me first of all address section 12, that is the Canada assistance plan portion. The government is introducing through the budget a freeze to CAP transfer payments to the provinces at present levels for the immediate future.

(1145)

Through this, the government projects savings of \$466 million in the next fiscal year, 1995-96, and the budget has promised social security reform based on co-operative effort among federal and provincial governments.

This is an area where the government, although it is adopting some of the things we proposed, is really proceeding without a plan and causing friction with provincial governments. I would note that in spite of its promise of co-operation this is clearly not happening. The evidence for this was the refusal in April of some provinces to attend a scheduled briefing to inform them of the federal government's progress in the area of social security reform.

I caution the government against making the same mistake with welfare that it has already made with health care, that is getting into an area of provincial jurisdiction—welfare is clearly an area constitutionally of strict provincial jurisdiction—enforcing national standards through, in this case the Canada assistance plan and regulations, and then gradually decreasing funding levels; in other words cutting the provincial funding but not giving them the freedom to adjust to the changes to make their targets and policies appropriate to funding levels.

Obviously this is a formula for alienating the provinces. Along with cuts which decrease their spending power it will make it difficult for them to implement social policy now and could also impact their ability to implement proposed social policy reforms down the road.

We need national deficit reduction of course, but we need it in a plan. We need it with an agreement in these areas with the provinces rather than a dysfunctional partnership in which the federal government makes unilateral changes through transfer arrangements but leaves in place policies that were based on full funding.

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Section 12 of the bill which freezes the current level into the future does, I would also note, perpetuate certain anomalies. It perpetuates the CAP discrimination that exists today with regard to the so-called have provinces, Ontario, Alberta and British Columbia, particularly Ontario and British Columbia where the unilateral and discriminatory reductions over the years in CAP funding have dramatically impacted upon those provinces.

I note, for example, that in Ontario the federal share of costs of CAP has decreased from 50 per cent to 29 per cent. This is one anomaly. Another is in the case of Quebec. This is an area that has been brought to my attention for not being clear in the bill.

In the area of CAP, Quebec operates under a bilateral tax abatement agreement with the federal government. I would call upon the government to clarify how exactly this freeze of transfers affects that agreement into the future.

[*Translation*]

Considering these problems, I want to congratulate the hon. member for Saint-Hyacinthe—Bagot for his amendment, Motion No. 12, which proposes the setting up of a parliamentary committee to review on a permanent basis the implementation of this policy. It is important, given the lack of a comprehensive strategy by the provincial and federal governments, to have such a committee, and I asked Reform Party members to support the motion tabled by the Bloc Québécois.

[*English*]

I conclude with a comment on sections 13 and 14 that affect the Public Utilities Income Tax Transfer Act. These sections extend the freeze, basically a freeze of 10 per cent below the 1989-90 payment on these transfers to the provinces into the future.

I support this and our party supports this with even more reluctance than we support the CAP transfers. Of course the income tax transfers in this area to the provinces should be 100 per cent funded.

(1150)

One should remember that the purpose of these tax transfers is to refund to provinces that have privately owned utilities the portions of tax revenue that are raised by the federal government. These are transferred back to the provinces where these private utility companies are located. In the case of Alberta, which receives a lion's share of these transfers, they are passed on to the customers of these utilities.

This is not a special payment. This simply ensures that there is not discriminatory taxation against provinces and against individual Canadians who happen to be customers of private rather than public utility companies.

While this should be fully funded, I understand the reason for the government's finding that at this time it cannot restore that but must continue the policy that was unfortunately established by the previous government.

We support that with some difficulty but we hope that will be reassessed some day when we do have a plan to get our fiscal House in order within a reasonable time period.

In conclusion, I would like to say on these amendments that we recognize the need for significant reform and some reduction of federal transfer payments to the provinces to balance the budget. These are not the best ways of proceeding. They are the ways the government has chosen. We are very concerned about the lack of an overall plan and strategy but are prepared to support them on an interim basis.

I would remind the House once again that I have moved certain amendments to allow this debate, but I would recommend to my caucus that we support the Bloc amendment to study particularly the operation of CAP transfer programs in the future.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Madam Speaker, I was interested to hear what the hon. member had to say. I will also speak on the amendment put forward by the Bloc Québécois, which calls for the review by a committee of the administration and operation of this clause.

What we call CAP for short is in fact the Canada Assistance Plan. This plan, also funded by the taxes paid by all Quebec and Canadian citizens, was established during the major economic recession between 1957 and 1961, when we noticed a significant increase in the number of poor people, including unemployed workers.

In fact, in its first three years, the plan was called the Unemployment Assistance Program. This program, which was created in cooperation with the provinces, but still comes under a federal law, ensures that the federal government will finance 50 per cent of a number of expenditures. As the hon. member for Saint-Hyacinthe said earlier, to a certain extent, this program was of a greater help to the richer provinces, which could incur more expenditures, knowing that the federal government would cough up 50 per cent of the costs, as was the case, for example, for daycare and social housing programs.

As far as social assistance is concerned, the amount to be paid by the Canada Assistance Plan varied according to how generous the individual provinces were. On the one hand, you had people living below the poverty level, and on the other hand, you had individual provinces deciding upon the kind of programs they could afford.

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(1155)

This budget completely changes the terms and conditions of what could be called the moral contract between the provinces and Canada, because, from now on, the subsidies given to the provinces will not exceed what was granted as of March 31, 1995.

I must add, Madam Speaker, that the Canada Assistance Plan is subject to many more changes, since, for all practical purposes, the same budget also announced the end or the overhaul of the Plan. The consultations to be undertaken by the Minister of Human Resources Development, which, as we know, are also announced in the same budget, concern the social assistance reform. And yet, social assistance unequivocally falls within provincial jurisdiction.

When the federal government freezes the payment transfers for the Canada Assistance Plan, it changes naturally, first, the situation the provinces are in and, second, the rules governing the other programs which exist under this Plan. Moreover, and this is extremely important, we will speak a little later of the changes to the unemployment insurance. These changes to the unemployment insurance will mean a heavier burden for provinces as far as social assistance is concerned.

Thus, in two very important ways, the budget and this omnibus bill will make things worse for the provinces when it comes to dealing with poverty—and this is what it is all about—when it comes to helping people without any revenue whatsoever to survive. With what poor people are given in each of the provinces, they can barely live.

We are talking here of distributing the contribution of the richer provinces to the poorer to help people who have no revenue not to live but, as I said, to barely survive.

Under these circumstances, the amendment is very modest. We would very much like the Reform Party and the government to agree to incorporate it into the omnibus bill. It will allow us to look more closely at the operation of this act, to examine the means available to each province to fight poverty.

I must add that I have the feeling that, given the reform undertaken by the minister, these sums will be used for other purposes and that we will have heated debates in this House over the next few months if I am right about the changes that I think are forthcoming. But I will wait.

I would like to respond here and now to those who wonder why Quebec sovereigntists want to separate from the Canadian federation when Quebec benefits from equalization and from the Canada Assistance Plan. Yes, we want to separate because we are not only convinced but certain—because we have studied all these issues very carefully—that if Quebec had all the powers of a sovereign state to develop its economy and fight poverty, it would be in a better position to help those in need, to provide

social housing and child care services to Quebecers. Quebec would do better as an independent state than if it continued to receive transfers that are constantly reduced and subject to more and more conditions. It would do better than if it continued to be deprived of the means with which to develop a strong economy, with workers who have all the job training they need. The fact of the matter is that the federal government does not give the province enough money, money it collects from Quebec taxpayers in the first place.

(1200)

So, this is a modest amendment which will hopefully allow us to continue to demonstrate that the operation of this act makes no sense.

[English]

Mr. Jim Silye (Calgary Centre): Madam Speaker, I would like to reiterate our party's philosophy on debating the bill today.

The purpose of our amendments is to make our support clear for some portions of the bill. At the same time we may not support our amendments when they come to a vote. We were forced to do this because the government wanted to lump a bunch of bills together and put it through without due and proper deliberation.

We feel it is important that everybody get a chance to debate each specific issue on its own merits and not have things lumped together. The advantage of this philosophy or political strategy is that it has forced debate on five separate areas. We can bring attention to each of the areas so there is a clear understanding of what areas we are for and what areas we are against, on all sides of the House.

What is wrong with an omnibus bill is that it groups unrelated pieces of legislation together. It is an admission of two things.

First, it is an admission that individual members, at least government members, have no real input into substantive legislation. There is so much put together and so much to consider that it is too hard for an individual to comprehend.

Second, it shows how ineffectual the committee system is. If input was really expected from committees a bill as broad as this would never go to just one committee. It has five different components and thus should not go to just one committee. Members of this House, especially government members, could then do a proper and better review.

In the accounting taught in most schools eventually everybody gets to hear about the kiss system: keep it simple, stupid.

It would be nice if this government would not ram big bills through on the opposition and on the Canadian public but instead applied a new approach, a more simple and more visible approach. It should start separating bills and discussing each

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issue individually. I encourage the government to adopt that kind of a philosophy. It would be advantageous for everyone.

We favour the section on the fiscal arrangements with the provinces, partially because it adopts some of the policies and principles of the Reform Party zero in three plan. With that plan we would have a zero deficit in three years.

At first we had a lot of criticism of that zero in three plan. The Liberal government said our cuts were too draconian and that our suggestion of 6 per cent cuts on this year's budget alone was too draconian. I have now found out that when the finance minister appeared before the Business Council on National Issues, he indicated that in next year's budget he is actually looking for perhaps up to 12 per cent in cuts. If our 6 per cent is too draconian for the spending cap we set this year, what can be said about the government's proposed 12 per cent? We would work toward showing the government where those areas of cuts could be.

(1205)

Our zero in three plan for cuts in this area would have been combined with some workfare and some constructive mechanisms and with hope for people to do just as much with less money, acknowledging the fact that we all have to start living within our means. We know the Canadian public is forced to live within its means. It is only this government that will not accept the fact that the problem is the deficit and the debt. It is not looking for ways to reduce spending.

I want to make the point that when we see the government does recognize that, and there is a significant saving here of up to \$466 million through this freeze, then we support it. We compliment the government on that section and we encourage it to do more of the same.

An hon. member: We will.

Mr. Silye: I heard an hon. member opposite say: "We will". We will hold them to that promise.

I caution the government about making the same mistake with welfare as it is making with health care, which as members know, is another purpose of the Canada assistance plan and transfers to the provinces. The government has promised social security reform based on a co-operative effort among the federal and provincial governments. Clearly this is not happening. Evidence of this is in the refusal of some provinces to attend a scheduled briefing on health care.

The government makes the same mistake with this welfare program and decreased funding levels which it must and is doing. However it has to give the provincial governments the freedom to adjust to these changes and target funding appropriately.

The provinces cannot be punished by having to reduce their spending or having to figure out alternate ways of paying for

these programs that are only partially subsidized by the federal government. Whereas they should have been subsidized to a higher degree, the federal government reduces the funding and the provinces have to look for ways and means to pay for the programs and then they are cut off. We know it is a problem but we just wish the government would be more aware of it.

Currently despite the fact that constitutionally welfare is strictly under the control of the provincial governments the federal government enforces national standards through the Canada assistance plan and regulations. We have a few concerns about this area. Alienating the provinces along with cuts which decrease the federal spending power may make it difficult when it comes to the social policy reforms being planned for in the fall by the minister of human resources.

Overall we recognize the need for significant reform and the reduction of federal transfer payments to provinces to balance the budget. We just have a concern about the overall plan or strategy.

Mr. Walker: Madam Speaker, in response to a question raised earlier, the amendments we are proposing do not affect tax points.

[*Translation*]

Mr. André Caron (Jonquière): Madam Speaker, this is a Bloc Québécois amendment and I want to comment on it. It would amend Bill C-17 which proposes to freeze the federal contribution to the Canada Assistance Plan.

You know that the Canada Assistance Plan is financed by the federal and provincial governments.

(1210)

According to Bill C-17, the federal contribution to CAP would be capped after March 1995.

CAP is a plan that was developed in the 1950s and 1960s for the sake of social justice for classes of people who, for some reason, cannot support themselves.

So, it is a plan that really addresses the basic needs of some of our fellow citizens. The government's proposal would impose a unilateral freeze on the federal contribution to CAP.

My party denounces this way of proceeding. This change would have major consequences that we parliamentarians can hardly assess at the present time but we in the opposition know that some parts of the population would be severely affected.

With this in mind, my party proposed an amendment calling for a standing committee to study the whole question so that the members of this House could know the real impact of the Liberal government's proposal on the most needy in our society. As parliamentarians, we must in all honesty seriously consider the consequences of our decisions.

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I think it is not improper to really want to take into account the serious impact that could result from legislation we pass here. It is therefore important that people, through their representatives, be made aware of the situations that could result from a proposal such as the one the Liberal government is making.

I also want to denounce the practice followed at various levels of government, that is using a seemingly harmless measure to freeze transfer payments to other levels of government. That is what is called passing the buck, shifting one's problems, one's responsibilities onto someone else.

That is exactly what the federal government is doing now. And what will happen? Provincial governments will get less contributions. To maintain their present level of services, provincial governments will have to spend more and perhaps go deeper into debt or they will have to bear the responsibility of cuts in programs affecting the most disadvantaged members of our society.

But then the federal government will wash its hands of the matter, saying that it simply made cuts in transfer payments whereas provincial governments decided not to make supplementary expenditures in order to offset the cuts.

I think this is dishonest and hypocritical, because the government proposing this bill knows perfectly well what will happen, but it is going ahead with it nevertheless; when in 1995, 1996 or 1997, provinces have to either cut services to the most disadvantaged members of our society or borrow money to maintain services, they are the ones that will have to face criticism for their actions.

As parliamentarians, I think we have to be responsible for our actions. If we want to cut social programs, we should say so. We should not force others do that by putting them in a situation where they will have no other choice, but that is typical of this Liberal government.

(1215)

We know that a reform is under way. Mr. Axworthy, the Minister of Human Resources Development, announced it. Committees are studying the matter. Experts were hired to determine the government's position. The Standing Committee on Human Resources Development is exploring different avenues. The government has no project, no overall plan. Things are done in a piecemeal way. We hear that cuts might be made in UI or in social assistance or that the student loans program might be redesigned. But since they are informed of all this in such a fragmented way, Canadians cannot assess the whole reform. And we parliamentarians cannot say to our constituents what our objectives are and what results we want to achieve in a few years.

So this proposal, which looks pretty insignificant but will have important consequences for many of our most disadvantaged fellow citizens, is a patent example of the hypocritical and

often lying way in which our country is now ruled and its social policy for the poorest members of our society is designed.

I will certainly vote against the main proposal on freezing federal transfer payments, and I will vote for the amendment moved by my party to strike a standing committee for the purpose of reviewing all these proposals and gauging their impact. Parliamentarians will thus be accountable to Canadians on important measures and bills such as the one before us today.

The Acting Speaker (Mrs. Maheu): Before resuming debate, I would remind the hon. member that ministers and hon. members should not be referred to by name.

Is the House ready for the question?

Some hon. members: Question!

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House to adopt Motion No. 12?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 76(8), the recorded division on the motion stands deferred.

[*English*]

Mr. Jim Gouk (Kootenay West—Revelstoke) moved:

Motions Nos. 16, 17, 18 and 39

That Bill C-17 be amended by deleting Clause 15.

That Bill C-17 be amended by deleting Clause 16.

That Bill C-17 be amended by deleting Clause 17.

That Bill C-17 be amended by deleting Clause 32.

(1220)

He said: Madam Speaker, although we do not mention names in the House, I would like to clarify that the name is Gouk. I would not want people to think we have 53 members in the Reform Party just yet.

We have moved this amendment to allow us to address the various parts of the bill. When I first spoke on this I pointed out that it was an omnibus bill. The nature of an omnibus bill is something that presents so many different parts that may not closely or even relatively link to one another that it is impossible to pick and choose what you can support and what you consequently have to reject.

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If there are things in it which are totally unpalatable and one cannot support then one has to reject the entire bill. The reason we have moved this amendment is so that we can address the individual parts of the bill in debate.

With regard to the transportation subsidies, as I said before that is one portion which I can agree with at least in principle. I also suggested at the time that the government had not really done its homework on these issues. Had it done so it would have found that there were many areas, both in the western grain transportation subsidies and in the Atlantic regional subsidies where other costs could have been cut that would have achieved the same or a higher level of saving for the government without penalizing the people of the region that these subsidies were initially designed to serve.

It could be done in such a way that the subsidies could be reduced and the local people would still realize a saving in money if we got rid of some of the waste and inefficiencies. I suggested this was a lack of homework on the part of the government. I have seen very little in the ensuing period since I last spoke on this issue to suggest that the government is yet ready to do this work.

Much of this can be resolved in committee. I believe that is what committees are for. It is unfortunate that the government sees fit to take all these different aspects of things generally relating to the budget, lump them into one omnibus bill and then suggest that we have to accept or reject the bill in its entirety.

We have seen the folly of this under such things as the Charlottetown accord. The Charlottetown accord was probably the most omnibus piece of work that has ever come from any government. It was rejected by the majority of Canadians who reviewed it and said: "While there may be some things in there that we support, there are things in there that we cannot plug our nose and vote in favour of as the previous Prime Minister suggested". Consequently the majority of Canadians in their own best interest rejected that.

Forevermore, from the previous Prime Minister to the present Prime Minister and all his cabinet ministers, every time we try and raise an important issue for Canadians we hear that we rejected that. We hear: "We offered that to you and you rejected it under the Charlottetown accord. Never, ever bring it up again".

Using that same rationale, it brings to us Bill C-17. In Bill C-17 there are probably some good things we would like to see through. We are told that the government has to reduce its cost and yet every time it tries we reject what it is saying. We say there are things in here where we can save money and we support that. Transportation subsidies is one area which in general principle we can support.

An example of something I personally cannot support tied into the same bill is allowing borrowing by the CBC. It is not bad

enough that the government borrows more than it can ever hope to repay and cannot even pay the interest on, but now it wants to farm out those rights to its various crown corporations so that they can borrow. In that way it is not seen as part of the government's national debt.

With regard to the transportation subsidy I would support the reduction in grain subsidies but I couple that with a request if not a demand that the government at the same time look at the inefficiencies of the transportation system. It has been proven that simply pumping money into the transportation system does not get the grain moving and that is what the farmers require.

By all means we can reduce the costs but at the same time we have to get rid of the inefficiencies. I suggest that if we got rid of all inefficiencies we could get rid of subsidies almost entirely without any penalty to the farmers who are in dire straits because of government inaction.

(1225)

With regard to the Atlantic regional subsidies, again the same situation. There are many areas where the government could reduce subsidies if it would improve certain other areas which penalize the Atlantic region. One that I mentioned specifically was the icebreaking services provided without cost to the shippers in order to keep a frozen port open while ice free ports remain underutilized. This is penalizing the Atlantic region.

As I mentioned, I have no problem with keeping that service available but shippers should pay the cost of providing that service which costs \$20 million a year. This would more than offset the type of subsidy it is looking to reduce and which is actually penalizing the Atlantic region.

I also mentioned the economic development grants. Those could be reduced as well if at the same time the government would do something about interprovincial trade barriers which costs the Atlantic region more than its entire economic development grants.

On the basis of breaking this up, I will support with my added remarks the transportation subsidy portion. But until the bill is broken up and the parts dealt with individually so that the ludicrous parts can be eliminated, it makes it very difficult to support.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Madam Speaker, I will not talk at length about this part of Bill C-17, since I do not think there are major problems with the administrative provisions on transportation contained in this bill.

I will rather speak about the lack of seriousness of the Reform Party when it proposes to examine the bill section by section. We were just told in a very strange way that the party wants to eliminate the entire clauses of that part of the bill, while recognizing that some provisions could be beneficial. I have never heard such a thing before. I have already seen politicians

who were not serious, but we expected that the Reform Party would be a little more serious than that.

Had they proposed constructive amendments to this part of the bill, it seems to me that it would have been promising for the overall examination of the bill. I see that they are unable to do that, because they are not serious. All the more so since it was just said that the bill contains some provisions that are beneficial for Western grain transportation. They have been elected only in the West and they are proposing amendments to eliminate these provisions as a whole, including the ones concerning Western grain transportation, the famous Crown's Nest Pass Agreement.

Do these people talk to their constituents? As they claim, their way of doing politics is somewhat different. They bring up questions faxed to them by citizens. They should have gone directly to their constituents, especially the western farmers and the western carriers to seek their opinion, instead of acting so irresponsibly and proposing these amendments.

I also noticed that each time a bill, including the motion introduced by the Reform Party, dealt with a region east of Manitoba, it was necessarily bad. One said for example that, in the Maritime Provinces, users could have been asked to pay for the ice monitoring. As if these people were not already overburdened. I noticed it during the hearings held by the sub-committee on bill C-17, especially on the part dealing with unemployment insurance. Let us stop—as the Reformers always do—taking the Maritime Provinces as the sole example to illustrate inefficiency.

The same thing applies to regional development grants. I feel it is a little too much. I wanted to stress that. It does not add anything to the motion introduced, it does not take away anything from it. But the attitude of the Reform Party today is disgraceful.

(1230)

[English]

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): All those in favour of the motion will please say yea.

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Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it.

I therefore declare Motions Nos. 16, 17, 18 and 39 negated.

(Motions Nos. 16, 17, 18 and 39 negated.)

Mr. Monte Solberg (Medicine Hat) moved:

Motions Nos. 19 and 20

That Bill C-17 be amended by deleting Clause 18.

That Bill C-17 be amended by deleting Clause 19.

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata) moved:

Motion No. 21

That Bill C-17, in Clause 20, be amended by replacing line 37, on page 9, with the following:

“year, including indication of the purposes for which the Corporation plans to borrow money and its plans for repayment of the borrowed money.”

[English]

Mr. Monte Solberg (Medicine Hat) moved:

Motion No. 22

That Bill C-17 be amended by deleting Clause 20.

[Translation]

Mrs. Tremblay: Madam Speaker, while the government bill proposes to amend the rules pertaining to unemployment insurance, Canada Assistance Plan and collective bargaining by imposing a salary freeze upon its employees, while the government is making cutbacks everywhere and taking money in the taxpayers' purse, it is still granting the CBC a borrowing authority of \$25 million which could be increased under an appropriation act.

First of all I would like to denounce the omnibus bill which in the hands of the government becomes a way to disguise important policy changes. This bill is a soup containing too many ingredients and too spicy to the taste of the poorest.

That being said, I would like to emphasize the borrowing authority that the government intends to give the CBC. According to the rule book, a line of credit is generally granted to individuals and to financial institutions that know how to add up figures, how to administer their business, that have expansion plans based on market research studies or who know how to balance their books. In other words, individuals and institutions that have a financial reputation that can justify their request.

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Yet, this is far from being the case with the CBC. Let us have a closer look at the facts. Based on data prepared by senior officials of the Department of Canadian Heritage, the CBC will see its deficit grow from \$41 million this year to \$78 million next year and this does not take into account the budgetary cuts of April 1993. You must add to those projections an amount of at least \$100 million that the Minister of Canadian Heritage intends to recover from the CBC over the next five years.

The minister also stated that he would like to see the CBC less dependent on advertising revenues. Those revenues will account for 26.3 per cent of the total revenues of the CBC in 1994, that is almost \$400 million on a total budget of \$1.5 billion.

(1235)

Up until now, several drastic measures have been taken by the Canadian Broadcasting Corporation to redress its structural deficit. With a document published by professor Lauzon, I want to remind you of some of those measures which in the end did not solve anything and, above all, did not allow the corporation to balance its books. Yet, we still suffer from some of those measures. There have been 2,800 jobs lost since 1984, including some lay-offs, French and English television services have been restructured, three local television stations have been converted to satellite stations, and all regional programs have been cancelled except for news bulletins. That measure should bring about an economy of \$46 million.

Incidentally, it is impossible for me, as a citizen, to find out how much it costs to operate the French CBC station in Quebec City. People in Eastern Quebec have the vivid impression that that station profited from the savings that were to result from the closing of the Rimouski, Matane and Sept-Îles stations. But when we ask for information in Quebec City, the answer is: "Sorry, we have competitors, we cannot give you that information".

Let me go on with the list of cuts the CBC made in order to reduce its deficit: \$12 million in expenditures for the television network. Another apparent cut affects precisely the office of the Speaker of this House; the parliamentary channel has been transferred to the budget of his office. Such a measure seems to result in an economy of \$5 million but in reality the service still costs taxpayers \$5 million; it has simply changed envelopes.

Another cut was the reduction of Radio Canada International services abroad and the transfer of its financing to Foreign Affairs. This might look like a \$20 million saving for the corporation, but it is costing \$20 million to Foreign Affairs. Such measures are deceitful for the public; they are a real disgrace.

But not all services have been cut, not all services have borne their share of budget cuts. The amounts withheld from the regions have simply been transferred to the networks.

According to a study conducted by the Syndicat des journalistes de Radio-Canada, contrary to what they would have people believe, the closing of stations in the regions in 1991 has not reduced the costs of television programming. It has led to a transfer of funds to the networks. If you compare the costs of television programming for 1991 with those for 1992, you realize that they have decreased by \$40 million in the regions and that the costs of the regions' contributions to the network have also decreased by \$7.1 million. One regionally produced program we all know very well is "SRC Bonjour" which originates right here in Ottawa.

Therefore, you will say, there was in fact a cut of some \$47 million. Quite the opposite; if you look at the figures, the network costs have increased by \$60.7 million. There you have another example of the kind of cover-up this government and that corporation are carrying out. The final cost was \$13 million higher than the anticipated cuts. Therefore, the network benefited from the closing of our regional TV stations and it hurts even more. We are still reeling from it.

I would like to mention something that was promptly dismissed by the president of the Canadian Broadcasting Corporation and by the Minister of Canadian Heritage, namely the funding discrepancies between Radio-Canada and the Canadian Broadcasting Corporation.

On April 5 last, the Coalition pour la défense des services Français de Radio-Canada, which, I will remind the House, is made up of technicians, journalists, musicians, researchers, and in-house artists, published a report showing that the funding discrepancy between the two networks now totals \$76.4 million. SRC gets \$69 million, whereas CBC receives \$146.1 million.

One hour of TV programming costs on average \$37,400 on CBC, and \$18,390 on SRC. Producing the news on the French network costs on average \$7,000 an hour, whereas the same thing on the English network costs \$18,000. And yet, news are news, no matter the language.

(1240)

Comparing average drama production costs is just as shocking: \$68,000 on the French network against \$99,000 on its English counterpart. In spite of such disproportionate funding, which can only be due to cultural racism, CBC and the Société Radio-Canada have comparable audiences. With a BBM audience rating of 13.6 per cent, the Canadian Broadcasting Corporation reaches approximately 2.8 million viewers whereas the Société Radio-Canada, with a rating of 33 per cent, reaches an audience of 2.2 million. Therefore, such funding discrepancies between the two networks cannot be justified.

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Recently, the CBC bought the broadcasting rights for the Olympic Games in Atlanta for \$28 million. Its competitors were offering \$10 million. The corporation believes that it can sell \$35 million worth of advertising, which experts in this area tend to doubt. Does the corporation intend to use its new line of credit to make up for any revenue shortfall? It is a question every citizen is wondering about.

In view of such financial mismanagement, the Bloc Quebecois, on behalf of Canadian and Quebec taxpayers, wants the Canadian Broadcasting Corporation to be accountable to Parliament for the use of its line of credit. That is the reason why we proposed an amendment which would make it compulsory for the corporation to explain to Parliament the purposes for which it plans to borrow money and its plans to repay the borrowed money. What sense is there in giving the corporation borrowing authority if it is unable to manage its affairs?

[*English*]

Mr. Monte Solberg (Medicine Hat): Madam Speaker, I am pleased to speak today on part four of Bill C-17 which would grant borrowing authority to the CBC.

I wish to address the several flaws inherent with this notion. First, the government has committed itself to a management and funding review of the CBC. Without waiting for the completion of this same review the government has remodelled funding for the CBC on two occasions.

In the first instance this administration has reversed spending cuts announced by the previous Conservative government from \$350 million to \$250 million over four years. Meanwhile the government's budget includes a provision that a \$25 million borrowing authority be awarded to the CBC in order to offer it more businesslike flexibility.

I am very sceptical when it comes to assuming that the ability to borrow \$25 million would accomplish efficient management not realized with \$1.1 billion in appropriations from the Canadian taxpayers.

It really does baffle all logic that the government would call for a funding review in one instance while at the same time tampering with existing funding formulas.

It is obvious to me that the provision to grant the corporation borrowing powers is premature based on the government's own announcement. From a practical standpoint it makes no sense whatsoever to allow the CBC to seek loans.

The CBC is not like a business in the private sector. There are no shareholders or customers in the normal sense to answer to. There is no compelling obligation to strive for efficiency because there is no bottom line. In short, there is no need to

worry about turning a profit, nor is the concept of bankruptcy a constant preoccupation.

In this type of structure there is never a shortage of things on which to spend money. Permitting the CBC to borrow is more likely to enhance the national debt than corporate efficiency.

The budget document suggests that the public broadcaster may be allowed to borrow an amount greater than \$25 million with parliamentary approval. In effect the ceiling of \$25 million is really a decoy. How did the government arrive at this figure? What measures will keep it from climbing to \$50 million or \$100 million? Who will be ultimately responsible for the debts incurred by the corporation?

(1245)

The general trend is that when one includes clauses like these in legislation, there is a tempting desire and requirement to use them. The law of wasteful spending requires that unaccountable financial entities will spend any and all funds directed toward them without adherence to efficiency.

While testifying as a witness before the Standing Committee on Canadian Heritage not long ago on April 12, CBC president Anthony Manera conceded that the corporation currently estimates a shortfall from all sources to be in the order of \$180 million over the next four years. The CBC has a \$45 million deficit on operating budget on revenues of about \$1.4 billion.

It would be paramount that any business facing such a financial crisis first put its own house in order before assuming any further liabilities. Borrowing to reduce debt load is synonymous to using a Visa card to pay down a MasterCard. Even in a best case scenario, it would require shrewd investments and a commensurate amount of time and good luck for the CBC to realize economies of scale from its borrowing authority.

Allowing an indebted company to accumulate further debts at the public's expense is poor management and it is morally irresponsible. The rationale behind the new borrowing power is supposedly to allow the corporation to make investments in systems and equipment that will result in long term savings.

What are these investments? What are the risks involved? What is the projected return on investment? Who will be responsible if the investment fails? These questions demand answers before this request by the CBC can even be considered.

It has also been suggested that a levy be raised on private broadcasters or cable subscriber fees be initiated to fund the CBC to the detriment of their competitors and the public. The crown corporation cannot have one hand in taxpayers' pockets and another in the marketplace, giving it the best of both worlds when there is no incentive to be cost effective or competitive.

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With respect to its mandate, the CBC is facing an abundance of difficulties. For example, the CBC English language television audience has been declining steadily since 1990–91. The viewership has declined to only a 13.3 per cent share of audience, which caused CRTC chairman Keith Spicer to remark to Mr. Manera at a recent licence renewal hearing: “You are going down the tubes here in ratings. You are going down to oblivion”.

What of the U.S. programming during prime time and a litany of U.S. soap operas from one until six in the day? How does the CBC explain the decline in arts programming, in children’s programming since 1987? All of this combined with technological breakthroughs cause us to question the need for the existence of the CBC.

Specialty channels and the electronic superhighway have become catch phrases of the 1990s. Is there a need for a public broadcaster when the public will have 500 channels to choose from offering a similar and cheaper product to the CBC? The CBC has jointly submitted a bid to operate one of these specialty channels under the name of Festival.

Since Parliament has not changed its mandate, is it even appropriate for the CBC to establish and operate new television networks? One must also examine whether the CBC is undermining its current obligations by engaging in another channel bid. This relates both to its legally required programming as well as its management of scarce resources.

In addition, it would be important to critically examine the program management and copycat production practices of the CBC. Canadians frequently criticize the Canadian style U.S. programs that find their way on to the air waves. Meanwhile the shifting around of “Prime Time News” from 10 p.m. to 9 p.m. only to have it return to its original time slot has diminished public confidence in the operation of the CBC.

In the futile task of persistently propping up the CBC, there are some serious questions to consider with the prospect of borrowing money. Here are four issues which really demand answers. First, how will the CBC generate profits on its revenue in order to repay any loans it has incurred?

Second, clause 19 of the bill states: “Notwithstanding the Financial Administration Act, part VII of that act does not apply to a debt incurred by the corporation”. It is not clear after consulting the Financial Administration Act and the Broadcasting Act if the crown or the corporation would be ultimately responsible for the debts of the CBC.

(1250)

Third, what guidelines has the government established to the exercising of this borrowing authority?

Fourth, why is the government allowing the CBC to borrow money in the first place? Would it not be more financially sound

to privatize portions of its operations and realize substantial savings which then may be used to finance new cost effective ventures?

It is crystal clear that any attempt to revitalize the CBC using measures normally reserved for companies competing in the private marketplace undermines its integrity as a public broadcaster. Any special measures designed to raise capital for the CBC, such as loans, subscriber fees or licence fees, would be an unfair advantage should the CBC underbid its private counterparts for any services which it is given in addition to its heavy state sanctioned financing.

These factors along with the changing technological landscape bring into question the relevant role of the CBC. It is for the reasons outlined above that our caucus will not be supporting this borrowing authority.

Hon. Roger Simmons (Burin—St. George’s): Madam Speaker, I too would like to say a few words on Bill C-17. I will come in a moment specifically to section 18 which deals with the proposed amendment to the Broadcasting Act to grant CBC some borrowing authority from the consolidated revenue fund.

First, the bill, in effect the budget implementation bill which flows from the budget of a couple of months ago, would seek to do a number of things. I am surprised, I say to my friend from Medicine Hat, that he did not spend a good amount of his speech lauding the bill because a lot of it goes straight to the issue of budget restraint which in some ways will be painful for various parts of the country, but necessarily painful because, as the Minister of Finance has said again and again and as the Prime Minister has said repeatedly, we are committed to getting our financial house in order and Bill C-17 goes a fair distance to doing that.

In light of the comment made by my friend from Medicine Hat, let me come directly to the matter of the proposed amendment to the Broadcasting Act.

This amendment would give to the CBC the businesslike flexibility which I submit is necessary for a billion dollar corporation by authorizing the CBC to be able to borrow up to a limit of \$25 million from the consolidated revenue fund and from Canadian banking institutions through lines of credit, through commercial loans and the issuing of bonds or commercial paper.

I believe this measure would represent an important step in our campaign to help the CBC by permitting it to become more efficient in operations and allowing the corporation to enter into other ventures acceptable to the government that provide a return on investment. It is perhaps in this context, I say to the member for Medicine Hat, that I find his objection most surprising. It is interesting to note that he did not say what he was going to do today. He said what his caucus was going to do.

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I say to my friend from Peace River, I assume that is another example of the free vote approach of that party. Now one stands up and says what the entire caucus will do. What happened to the free vote we used to have in that great party, that party that I have come to admire? Where is the leader today when I need him to answer on this particular issue of why suddenly he is allowing the member for Medicine Hat to muzzle a party of free voters?

I digress. On the one hand the member for Medicine Hat decries the bill for allowing the CBC some borrowing authority but yet we hear them wax eloquently from time to time about how we ought to become more efficient as a government and as crown corporations. Again I say to him that we cannot really have it both ways, can we?

(1255)

The funds that the bill would permit the CBC to borrow would be used only to generate operating savings. This idea that somehow it is going to go out and buy Lotto 649 tickets with it or somehow splurge—

Mr. Penson: It might be a better investment.

Mr. Simmons: In fairness, the member for Peace River interjects that it might be a better investment. I have to say to him in response that for a member of the Reform Party hope must spring eternal.

These borrowed funds would be used to generate operating savings or for venture investments. The operating savings would come from investments in capital equipment and projects which have a payback of four years or less. At the present time the CBC is unable to take advantage of these opportunities due to its shortage of capital resources and the immediate need of addressing physical obsolescence in plants and equipment across the country.

Perhaps a good example of how this proposed borrowing authority would help the CBC was the arrangement reached by the corporation to disaffiliate from its Pembroke, Ontario station and replace it with rebroadcasting towers at a capital cost of \$2.2 million.

The subsequent annual savings in payments to the affiliate less the cost of using the towers yielded net savings to the CBC of \$374,000. As well the corporation earned an additional \$1 million in advertising revenue as a direct result of this disaffiliation in Pembroke. A capital investment of \$2.2 million was repaid in under three years. That flexibility to undertake such initiatives is an indispensable tool for the CBC.

It is worth reminding ourselves that under no circumstances would the CBC be permitted to use these borrowed funds to address an operational shortfall and thereby operate on deficit financing.

I say to my friend from Medicine Hat, there is the answer to one of the questions he raised. If he listens to the debate he will get the answers to all these questions. We heard his questions. We not only heard them we had anticipated them beforehand because these are some of the legitimate questions that need to be asked. Nobody has scored the member for Medicine Hat for being unthoughtful. He is very thoughtful about his questions but he rushes to judgment a little too quickly. He decides this is a bad thing before he has fully examined it. However I give him credit for at least knowing the questions to ask.

I repeat to him that the CBC will not be allowed under any circumstances to use these borrowed funds to address operational shortfalls and thereby operate on deficit financing. It is not only a commitment of the government. It is a caveat that will be in the agreement that would be entered into between the government, the Minister of Finance on the one hand and the CBC on the other.

The CBC's borrowing ceiling under this provision would be \$25 million. A memorandum of understanding between the CBC and the Department of Finance would, as I have just said, set out the terms and the conditions governing the borrowing authority. Foremost among those conditions is that the CBC would require the approval of the Minister of Finance, in accordance with the established Department of Finance guidelines, for each transaction it undertook pursuant to this particular provision.

We have heard again, particularly from my friends in the Reform Party, some concern about this issue. It is not surprising on the one hand because we know they are for the dismantling or the privatization of the CBC and I respect that point of view as a policy position. I do not agree with it myself and my party does not agree with it either but certainly I respect the point of view. It flies in the face of our position. It is diametrically opposed to what we believe on this issue. We see the CBC as a key national cultural institution.

(1300)

At the same time I cannot resist mentioning to my friends in the Reform Party that there is a bit of an inconsistency in their position in that we hear them so often talking about the importance of the businesslike approach. I believe the record, what we said on this issue, demonstrates that what we are trying to achieve here is a more businesslike approach for the CBC.

Finally there have been concerns about adequate reporting to Parliament. This is addressed by the procedure under which the borrowing authority will be included in the corporate plan summary which the CBC is obliged to table annually in Parliament.

In the context of the \$1 billion crown corporation that we are talking about, the \$25 million we are talking about is a relatively small amount. I submit the government is taking adequate safeguards to see that it is done in a reasonable manner.

Government Orders

[Translation]

Mr. René Canuel (Matapédia—Matane): Madam Speaker, in Bill C-17, it is mentioned that the government can authorize a borrowing of \$25 million. I wonder about that. Where will this money be spent? Will it be in large centres or rather in fringe areas?

Madam Speaker, you know that in my region, in Matane, Rimouski and Sept-Îles, we have been terribly penalized. It is a sparsely populated rural area. When constituents are few, it seems that they can take everything away from you. It hurts us in the rural areas.

How many of these millions will be used to restore television service in Rimouski, Matane and Sept-Îles? In our modern world, communications are extremely important. In my region, in small isolated parishes with nothing for 8, 10 or 15 kilometres around, people are beginning to speak out.

Last Saturday, I attended a meeting of Urgence rurale in Saint-Marcellin, a small community of 300 inhabitants. For once, the people spoke for themselves instead of inviting Ph.Ds from the university. They were asked: "What do you want in your region?" They had stunning things to say. For the last 15 or 20 years, these people have taken things into their own hands and almost made miracles with very modest, very minimal means. Their parish was supposed to be closed, but they reacted. They asked me why they no longer had services from Radio-Canada in Matane, Rimouski and Sept-Îles. They told me they had invited reporters to a meeting of Urgence rurale, but the CBC never bothered to cover their story. They were too small. Small parishes are not important for the CBC.

Then, I asked myself: "Where are these 25 million going to go?" If none of it comes to our area there will be a serious problem. You must realize that there might be some political game involved. Duplessis used to say: "The less people know, the more they will vote for me". He had another saying: "In Quebec, we have the best education system in the world". Of course, it was not true then.

(1305)

Is our communication system threatened? If we cannot communicate with each other we will stay ignorant, and ignorance is the saddest and the most rotten thing in the world.

We demand to be provided with CBC services. Today we do not have such services. We can still communicate of course, but we do it differently, we have to go through the telephone. This is a rather crude way, when television could really unite us.

Our region includes the Magdalen Islands, Sept-Îles, Matane, Rimouski, and we cannot communicate with one another. As long as we are unable to talk to each other, the governments will

be satisfied. Because we are isolated, we are almost islanders and this give us a tremendous dynamism, although we cannot export it to the right places.

As I was saying, the area of the Lower St. Lawrence, the area of Gaspé, the islands, the North shore, no longer has access to its own means of communication and this is painful.

In order for people to develop a sense of self-worth and to understand one another and in order to raise their collective consciousness, communication is essential and the Radio-Canada television network is an excellent communication vehicle. If the government does not want to give money to Radio-Canada, then it should give it instead to Radio-Québec or to community television stations, because this money comes from the taxes Quebecers pay. It is their money to begin with. We could use this money to readily defend ourselves with dignity.

Three stations were shut down and a decision was made to broadcast from the Quebec City station. I have nothing against this station. Quebec City reporters are undoubtedly very competent, but what do they know about our region? Do they know that there is no university in my riding? Do they know that there is only one CEGEP? What do they know about eastern Quebec or about the federal-provincial agreement? Absolutely nothing. Are Quebec City reporters familiar with the unemployment rate in the area ridings? Absolutely not. They deliver the evening news and they do a good job of it, but they know nothing at all about our region. Even if they want to be as objective as possible, quite often they are ignorant of local events and do not give a totally fair account of the facts.

The ties that bind us together are being severed. In today's global village, we receive news from around the world. We receive an immediate account of events taking place in all countries abroad, whereas we have to wait two, three or four days, and sometimes even one week, before learning about the goings-on in our own backyard.

(1310)

Would you not agree that this is insulting and frustrating? The \$25 million to be spent should be spent in the regions. I firmly believe this and I hope that my colleagues opposite understand the problems faced by rural communities. I hope that they will come to our defence because we too pay for a great many things in Canada through our taxes. However, we do not get our kick at the can as often as we should.

[English]

Mr. Jim Silye (Calgary Centre): Madam Speaker, I rise today to speak in opposition to this portion or grouping of Bill C-17, specifically clauses 18 to 20 which authorize the Canadian Broadcasting Corporation to borrow up to \$25 million, plus more by special legislation if necessary.

Government Orders

When will the Liberal government and the country understand that this borrowed money is in fact debt capital and not equity capital which at the end of the day will simply increase the government's deficit?

The government in this fiscal year will add \$41 billion to the debt which will take it over the \$550 billion mark. It is this debt and the interest to service the debt that have helped to create the recession and put 1.7 million Canadians out of work and forced countless businesses to close their doors.

Why does the government continue to lend money it does not have? When will it face up to the reality that just as Canadians are forced to curtail spending so must the government?

Unaccountable crown corporations like the CBC sail through these troubled times spending money believing that there is plenty more where that came from.

In the finance department's March 16 news release regarding Bill C-17 the finance minister stated:

The act proposes to implement initiatives in support of our twin objectives of job creation and deficit reduction.

I put this question to all members of the House and all taxpayers watching this on TV: How can \$25 million in borrowed money, in addition to the \$1.1 billion of taxpayers' money that the CBC currently receives, possibly reduce the deficit? Is the CBC going to hire more people? Will the tax revenue from income create a profit for the government?

This is a contradiction in terms. It is like saying the more money we spend the more money we will have in savings. The CBC is not a made for profit corporation. Therefore any amount of money that we give it will add to the deficit. It is a corporation whose ratings have dropped and the only way it generates any revenues at all is by playing U.S. produced shows which do not satisfactorily portray Canadian culture.

It is this generosity with other people's money that creates the pie in the sky Liberal logic which takes the emphasis off the real problems in this country, high debt, high interest costs to service this debt and high taxes to pay for wasteful grants and subsidies.

Liberal government members have said that 85 per cent of real jobs are created in the private sector. Therefore I submit they would do a better job creating long term, meaningful jobs with \$1.1 billion in tax reduction rather than subsidizing the CBC with \$1.1 billion.

If the government truly wants to promote Canadian identity and pride, let the private sector create long term, meaningful jobs and put Canadians back to work. The government should regulate, administer, pass laws and defend borders, but stop interfering with the marketplace by endlessly funding crown corporations and short term job creation programs that benefit the few and not society as a whole.

If the federal government sees a vital role for Canadian content on TV then regulate it, do not pay for it. Let the law of supply and demand dictate which shows stay on and which shows are cut.

I believe it is time to consider a partial privatization of the CBC. The fact is that under the present situation Canadians are not watching.

At a recent licence renewal hearing CRTC chairman Keith Spicer told reporters that CBC's English network saw its audience share dip to 13.5 per cent in 1992-93 from 15 per cent in 1990-91. Mr. Spicer went on to say: "Your ratings are plummeting. They are falling like a rock".

This is a perfect example of what happens when companies lack a competitive atmosphere. There is less incentive and lower overall quality of the product. Private sector companies in this position have shut their doors and have closed forever. This is not the case, however, with the CBC which has guaranteed government backing. With Bill C-17 it will have yet another option to borrow.

(1315)

When will the government acknowledge that it is in fact part of the problem and not the solution? When will the government stop the unlimited funding of the CBC? When will the government create the atmosphere and environment for investment and stop making investments with money that it does not have? The private sector understands this. It is time that cabinet ministers did too.

Private sector growth generates confidence and opportunity. It sends a message to investors that this country is able and willing to compete.

The Liberal government should send a message to foreign and domestic investors, lenders and businesses that Canada welcomes competition in a fair marketplace, free from government interference, subsidies and grants. This signal alone would bring in equity capital for businesses and the government could get out of businesses it knows nothing about such as the CBC, Petro-Canada and Canada Post.

The CBC presently pays millions of dollars to broadcast American comedies. Mr. Spicer stated: "The network is merely tinkering with this direction in the face of crisis". Where is the accountability or the justification?

As a businessman I know that corporations both public and private over time begin to lose their overall objectives. Perhaps Mr. Spicer's quote is an indication that the CBC has itself moved away from its original objective of providing quality Canadian programs, promoting Canadian culture and talent.

Government Orders

Privatization of the CBC in whole or in part would, as Mr. Spicer said, force the company off the road to oblivion without a rescue plan.

With privatization the performance of the CBC would be subject to market rules with market benefits and market sanctions. Even partial privatization would reduce the deficit and still maintain jobs. Time and again private corporations have proven that they can operate more efficiently and effectively than crown corporations. A dollar spent in the private sector requires three dollars for the same service in the public sector.

At risk money motivates, government money obligates but it obligates the wrong people, the taxpayers, without enough say. Decisions in the private sector must be made quickly to take advantage of investment opportunities as they arise. Companies that make these decisions subsequently suffer or gain from the consequences. Crown corporations have long been criticized for their inability to make these decisions. It is largely due to the lack of incentive, motivation and accountability because the government acts as a safety net.

Who gets fired if a costly program never airs? Who ever hears about it? Who ultimately pays for the extravagance and the errors?

Government involvement gives these corporations a kind of financial longevity that corporations in the private sector do not have. Therefore the longevity becomes a burden to taxpayers. This promotes unfair competition within industry sectors, those who have to answer to shareholders and those who have an endless supply of taxpayers' money.

Privatization would also improve the government's financial position. Selling assets would allow this government to reduce its monetary requirements for the year, which for this year will be \$41 billion, and repay part of our accumulated debt of over \$516 billion.

Privatization in whole or in part of the CBC, not \$25 million in borrowing authority, would help the government truly meet the so-called twin objectives of the finance minister of job creation and deficit reduction.

As of eleven o'clock this morning, the Doomsday clock calculated the national debt at \$516,293,742,299.79. Since 11 o'clock this morning the debt has continued to grow at a rate of \$1,473.50 per second with a debt per taxpayer of \$36,730.20.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Madam Speaker, Bill C-17 is an omnibus bill dealing with a wide range of subjects, from unemployment insurance to Western grain transportation and Atlantic region freight assistance, including a line of credit for the Canadian Broadcasting Corporation.

(1320)

In fact, Bill C-17 affects directly or indirectly 16 acts of Parliament, that is 11 directly and another 5 indirectly. This goes

to show the lack of transparency of the federal government, in spite of its campaign promises to that effect.

Bill C-17 typifies the lack of will to be open on the part of the federal government, by bunching various acts together and asking the House to vote on them as a whole. There are many good things in Bill C-17 and some bad ones. I am totally opposed of course, to the planned unemployment insurance reductions in view of how severe the unemployment situation is in Canada.

As for the \$25 million line of credit extended to the Canadian Broadcasting Corporation, I would like to focus on this aspect of Bill C-17 for the next 10 minutes. We cannot object to the CBC having a \$25 million line of credit. Many reasons can be provided in support of the CBC. The hon. member for Burin—St. George's mentioned earlier "the intention is to put the financial house in order".

There are several other reasons, including perhaps acquisition of new equipment or restructuring. The problem is not so much the line of credit as the matter of control. How will we know how this \$25 million will be spent and on what? And how will it be repaid? That the problem. If this government was concerned about transparency, it would make sure this \$25 million loan will be subjected to the scrutiny of this place, like all CBC expenditures. Even a blind person could see that there is mismanagement at the CBC.

Here a few examples of mismanagement at the CBC that basically reflect the essence of this government. There is financial mismanagement in government in general. It is particularly obvious at the CBC. And we parliamentarians cannot examine the particulars of CBC expenditures. It would seem that the corporation has no business plan, but if it ever did, it was shelved a long time ago. Recently however, this mismanagement has been causing serious problems. While this government is taking money out of the pockets of the unemployed and away from seniors in their tax credits, it seems ready to tolerate blatant squandering on the part of the Canadian Broadcasting Corporation.

I would even dare to ask questions on the fact that the CBC increasingly seems to favour the English-language network at the expense of its French-language counterpart. On the subject of mismanagement, that is quite obvious. Did you know that since 1984, 10 years ago, about 2,000 jobs have been cut at the CBC? Rather drastic cuts were made, for instance, in regional production. In 1990-91, regional production was cut by \$46 million.

The Minister of Canadian Heritage even announced very recently that another \$100 million would be cut over five years. While experiencing major cuts, layoffs, job losses and service cuts in the regions, the CBC has increased its share of the advertising market.

Government Orders

(1325)

Between 1979 and 1992, the CBC increased its share of the advertising market from 15 per cent to 25 per cent, nearly doubling its market share in 10 or 15 years. Its revenues have therefore doubled or increased considerably.

Despite drastic cuts in the staff budget and a growing share of the advertising market, CBC's deficit continues to climb. From 1992 through 1995, CBC's deficit was absorbed by the employee pension fund surplus. This deficit is expected to reach \$41 million in 1995-96 and CBC itself predicts that it will increase to \$78 million by 1998-99. My God, what is wrong at the CBC?

We have serious questions on the operation and management of the CBC. It is obviously poorly managed, there is no control. It is a little like the federal government: a kind of ship sinking in the middle of the ocean.

All we ask for on this side of the House is not necessarily to object to CBC's line of credit because CBC is, of course, an important network with top-notch reporters and expertise we want to keep. We do not necessarily object to this line of credit, but we would still like to have the power, as parliamentarians, to see where this money goes and why the deficit keeps growing despite the cuts and CBC's bigger share of the advertising market.

It is a basic request, and if the federal government really cared about transparency, it would grant it to us. But it will not do so, of course, because its majority will enable it to pass this bill regardless of the good reasons to improve it.

The cuts are serious. For example, I just told you that in 1991-92, CBC's budget was cut by \$108 million. Did you know that it cost \$129 million to cut this \$108 million? The reorganization, that is, all the services put in place to implement the cuts, costs \$29 million more than the cuts themselves.

The fact that CBC's production costs rose by \$177 million from 1988 to 1993 leads me to believe that this mismanagement on the part of the CBC—In fact, if I had more time, I could have shown you that money has been transferred to the English-language network at the expense of the French-language network.

In any case, in conclusion, we on this side would certainly like to have the right, as parliamentarians, to review the use of this \$25 million line of credit to the CBC.

The Acting Speaker (Mrs. Mahau): On the same motion, I recognize the hon. member for Témiscamingue.

(1330)

Mr. Yvan Bernier (Gaspé): Madam Speaker, it is no insult for me to be called the member for Témiscamingue, but I will let him speak for himself shortly.

I am pleased to speak on the third part of the omnibus bill concerning the CBC's borrowing authority. As my colleagues just said, the Bloc Québécois is not here to gum up the works. The Bloc Québécois presented a motion for more openness in the management of the CBC, but since we are good managers too, we understand that the Crown corporation needs borrowing authority to be able to operate. Whether this borrowing is on a line of credit or they have to acquire more assets to finance new things, we will support it.

What bothers us, though, is the lack of openness in CBC management. Although management has done certain things and revenue is rising and some things are being cut, they still have a deficit. It is a structural deficit and it is like a cancer constantly eating away at the CBC.

Why am I talking about cancer, Madam Speaker? It makes me think of a loss we had in the Gaspé. As a result of this lack of openness and this unwillingness to listen to the people, the CBC closed three television stations in our region, in Sept-Îles, Rimouski and Matane.

I am criticizing it for lack of openness; it is as though the government asked or allowed the corporation to do its dirty work. "You be the one to do it." It is as though they wanted to cut the means of communication of people in eastern Quebec, especially in the Gaspé peninsula.

This time, we might say that the government is a little ashamed to come and borrow money itself. It is telling the CBC to go and do it this time. I am sorry; as long as Quebecers are in this federation and part of Canada, we pay taxes and we have a say.

They took from us what was our pride, that is our means of communication. Now, we are asked to close our eyes and to say: "Okay, you will allow CBC to borrow up to \$25 million", but we will not be allowed to know anything more. The purpose of this motion is precisely to make sure that we know what will be done with that money, and particularly how CBC intends to repay such loans because, as I said, as long as Quebec remains part of Canada, we will have to pay part of that loan and part of the deficit. We can argue later about what that part will be. In the meantime, however, as long as we are here, we will ask for greater transparency.

Canadians and Quebecers certainly deserve some explanations from the Parliament of Canada. People can understand. They are not dummies, to use a common expression, and this is demonstrated by the fact that news and information programs get the best ratings. People want to understand what is going on. They want to know what is happening and, as a parliamentary institution, the House must be receptive. But I do not think it was receptive enough in the past.

Government Orders

We are concerned by the fact that the government is prepared to give a blank cheque to the corporation, without knowing what it will do with the money. If I was told that the corporation needs authority to borrow \$25 million because, following the mistake made by closing regional TV stations, it now has to recapitalize regions and part of that \$25 million would be used to that end, I would say fine, because I would at least know what is going on. But here we are only told: "We borrow \$25 million". What will those millions be used for? This evening, some people will listen to the parliamentary channel, since they do not always hear directly from their MP on the local news.

(1335)

So this evening, they will hear their own member, the member for Gaspé, say that he wishes the Canadian Broadcasting Corporation would seriously consider reopening the regional stations it closed down, which was a big mistake; that it would indicate, as any good manager would, how the \$25 million would be spent; and that we as parliamentarians could see how the money is allocated.

If the CBC's requests were sufficiently detailed and included the proper justification, the Bloc québécois would be among the first to say: Well, your request is very reasonable, and since your \$25 million authority is not sufficient, we would be willing to increase it. But you must understand our concern. A blank cheque for \$25 million is out of the question. This is 1994, and the public has a right to know.

Why this emphasis? I referred to the stations that were closed, and I said that we would agree to give them the \$25 million borrowing authority they want, but the problem is lack of transparency.

I would be the first to acknowledge the excellence of the performers on Radio-Canada. We all have our favourites. We have Marilyn who discusses municipal politics at 7 p.m., and we have newscasters like Bernard Derome. I think we can say that Quebecers, and I imagine Canadians generally are like that, enjoy a variety of programs. They want entertainment but they want the news. I realize that getting the news costs money. Through these administrative measures, Parliament enable the Canadian Broadcasting Corporation to fulfil the mandate it was given by Parliament. However, as far as news programming is concerned, people in the Gaspé and Eastern Townships, and I said this before, feel left out.

Today, we get local news bulletins from Quebec City. I do not mind getting the Quebec City news, because I have some good friends in Quebec City, including the members for the local ridings, but news from these areas is not as interesting as our

own local news. That kind is just as important. I am sure, Madam Speaker, if you had to listen to the local news from the Gaspé, you would say: What a wonderful region! But you would not be as interested in the local news from that area. Oh, sure, at the end of the news bulletin they give you two or three minutes worth about your own community, but that is not much. And in our case, that is what happen.

And that is why, as a member of the Bloc québécois, I wanted to say in the House today that from a manager's point of view, I agree that the Canadian Broadcasting Corporation needs management tools. However, I am outraged at the lack of transparency in the government's proposals, and I want to make it clear that if all Canadians are supposed to be involved, I think we should not forget that the people in the Eastern Townships and the Gaspé are very upset about the fact that their regional stations were closed, and if the government wants to convince me that the Canadian Broadcasting Corporation has come of age, then it should do something about correcting these mistakes.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I would like to expand on what my colleague was saying. As a member for the same area I also wonder, when I see that the CBC is being allowed to borrow, what they are going to borrow for? We have been burnt before.

Just think that \$46 million were cut when regional stations were closed, 100 specialized jobs in communications and radio and television were abolished, but at the same time \$61 million were added to the networks. There is some imbalance there.

(1340)

After that experience we wonder: "If this was done in the past, and if we now add this borrowing power, what are they going to do with the money?"

The next Olympic Games, in Atlanta in 1996, are another good example. CBC submitted a tender for \$28 million. This is a totally unacceptable overbidding if you consider that TVA had offered \$10 million for the same coverage.

Is the \$18 million difference going to come from money it borrows? Is it what is going to be used to pay a somewhat inflated price to cover an event which, after all, will only last a short period of time, whereas the cuts which are depriving our regions of adequate coverage will last all year long?

I would willingly trade three weeks of Games in Atlanta for a TV station in Eastern Quebec and on the North Shore, which would provide year-round coverage and would allow us to know how our own people are managing, how they are coming to grips with the situation and how they see their future.

Government Orders

You will not be surprised then to learn that what the Bloc Québécois is asking is that this new borrowing authority be transparent. We know that for the past few years, the Canadian Broadcasting Corporation has been presenting its business plan to the minister, but we have never seen such business plans in this House. The CBC does not produce canned goods. It is a corporation with a Canada-wide communication mandate.

Consequently, one would expect that it should be accountable to the Canadian Parliament for the manner in which it carries out its business, not with a view to censoring it, but rather to see how it spends its money. Now is the time to start doing it, especially regarding the use the Corporation is going to make of its new borrowing authority.

How is it going to spend this \$25 million plus interests? Will it be for projects Canadians and Quebecers generally approve of? Will these projects provide better service to the people in Quebec and in Canada, or will they be like the icing on the cake, something extra for areas which already receive service?

So, I think it is important to know how this money will be spent. In fact, we are very concerned about the openness of this process, all the more so given the estimated deficits of the CBC. Despite cuts made especially in regional stations over the last few years, the estimated deficit should reach \$41 million in 1995-1996; \$54 million in 1996-1997; \$65 million in 1997-1998; and \$78 million in 1998-1999.

So, if this borrowing authority is going to increase the deficit without improving the service, I do not see how we can support such decisions. We want to see the CBC budget and we want to know in what direction the CBC is going, how it intends to spend the money and mostly how it will manage to provide services in Quebec and in Canada to ensure the public gets adequate information.

Let me give you an example. Two weeks ago, I was asked to act as commissioner during community hearings held by Rural Dignity and an organization set up to maintain the train service in Chaleur, in the Gaspé Peninsula.

The newspaper coverage we got was quite interesting. However, the television coverage was not so good, not because the technicians, communications experts and announcers in Eastern Quebec are not capable, but because when you have only two or three reporters to cover such a large territory as ours, that is thousands and thousands of kilometres, it is obvious that you cannot provide the same adequate service as if you had regional stations.

That shows the extent of social disintegration that can occur if we do not have a communication network which the people in the regions can relate to and identify with. You can be sure that we will never renege on our commitment to provide adequate television services.

(1345)

And since the closing, we are taking steps to make sure that the services will be offered once again and that we can have in our region some experts, some people who can provide the adequate broadcasting for the people within the region as well as elsewhere.

So, indeed, we could say that the borrowing authority of the Canadian Broadcasting Corporation is relevant, as for any other business that may have to borrow money at a given time. But, in order to get that money, that business must prove to us that, indeed, it is using the funds in an adequate and fair manner and is also fulfilling its mandate, which is to provide communications throughout Canada.

We must get away from the image left to us by the previous Conservative government which, whether in the case of VIA Rail, Post Canada or the Canadian Broadcasting Corporation, decided to define the mandate of these national corporations as if they were private companies, when their mandate should reflect the realities of the country as a whole.

In that context, we would like to make the government aware of the fact that, if the Canadian Broadcasting Corporation has a borrowing authority, the uses of the amounts provided for by that authority, whether in the form of credit lines or other, should be tabled here in the House.

I hope that government members will be sensitive to this amendment and will vote with us to make sure that, at least, we know where our money is going.

[English]

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

[Translation]

Mr. Loubier: Madam Speaker, are you referring to my colleague's motion?

The Acting Speaker (Mrs. Maheu): We are on motions Nos. 19, 20, 21 and 22. The question is on motion No. 19, standing in the name of Mr. Solberg.

[English]

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

Some hon. members: Yea.

The Acting Speaker (Mrs. Maheu): All those opposed will please say nay.

Some hon. members: Nay.

Government Orders

The Acting Speaker (Mrs. Maheu): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 76(1)(8), a recorded division on the proposed motion stands deferred. The recorded division will also apply to Motions Nos. 20 to 22.

Mr. Garry Breitkreuz (Yorkton—Melville) moved:

Motion No. 23

That Bill C-17 be amended by deleting Clause 21.

(1350)

[*Translation*]

Mrs. Francine Lalonde (Mercier) moved:

Motion No. 24

That Bill C-17, in Clause 22, be amended by replacing line 21, on page 10, with the following:

“(a) 57 per cent of the claimant’s average”.

Motion No. 25

That Bill C-17, in Clause 22, be amended by replacing line 16, on page 11, with the following:

“(ii) the greater of 57 per cent of the”.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot) moved:

Motion No. 26

That Bill C-17, in Clause 22, be amended by adding after line 26, on page 11, the following:

“(1.1) For purposes of paragraph (1)(b), a claimant need only establish a *prima facie* entitlement to application of the rate of weekly benefit provided under that paragraph, whereupon the onus is on the Commission to establish that the claimant is not entitled to application of the rate of weekly benefit provided under that paragraph.”

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville) moved:

Motions Nos. 27, 28, 29 and 30

That Bill C-17 be amended by deleting Clause 22.

That Bill C-17 be amended by deleting Clause 23.

That Bill C-17 be amended by deleting Clause 24.

That Bill C-17 be amended by deleting Clause 25.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup) moved:

Motion No. 31

That Bill C-17, in Clause 26, be amended:

(a) by replacing line 22, on page 13, with the following:

“48.1 (1) Notwithstanding section 48, the rate”;

(b) by replacing lines 25 to 27, on page 13, with the following:

“(a) for the five month period beginning on January 1, 1994, 3.07 per cent of insurable earnings in that period;

(b) for the seven month period beginning on June 1, 1994, 3 per cent of insurable earnings in that period;

(c) for the year 1995, 3 per cent of insurable earnings in that year; and

(d) for the year 1996, 3 per cent of insurable earnings in that year; and

(e) by adding after line 31, on page 13, the following:

“(2) For the purposes of applying subsection 50(1), section 51, paragraph 75(1)(p) and subsection 75(5) in respect of the year 1994, each period referred to in paragraphs (1)(a) and (b) shall be deemed to be a year within the meaning of those provisions.”

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville) moved:

Motion No. 32

That Bill C-17 be amended by deleting Clause 26.

[*Translation*]

Mrs. Francine Lalonde (Mercier) moved:

Motion No. 33

That Bill C-17, in Clause 27, be amended by replacing line 36, on page 13, with the following:

“the House of Commons given by resolution of that House, make such regula-”.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville) moved:

Motion No. 34

That Bill C-17 be amended by deleting Clause 27.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot) moved:

Motion No. 35

That Bill C-17 be amended by deleting Clause 28.

(1355)

Mr. Garry Breitkreuz (Yorkton—Melville) moved:

Motions Nos. 36, 37 and 38

That Bill C-17 be amended by deleting Clause 29.

That Bill C-17 be amended by deleting Clause 30.

That Bill C-17 be amended by deleting Clause 31.

He said: Madam Speaker, I wish to explain to the House once more the reason for our motions. We are opposed to the government’s use of an omnibus bill to implement the budget rather than introducing separate bills for each act it proposes to change.

Today I would like to comment specifically on the changes to the Unemployment Insurance Act. I spoke to Bill C-17 on April 14 during second reading stage. At that time I said that the Reform Party was generally in favour of the changes to the UI Act, but argued that the government did not go far enough with its amendments. Even though we think that further improvements to the unemployment insurance provisions could

have been made, we are prepared to vote in favour of the UI changes.

However, there are other changes in Bill C-17 which we cannot support, such as the CBC borrowing authority provisions. Therefore, in order to register our opposition to certain legislation contained in the bill, we have to vote against the whole bill.

How do we express our views and the views of our constituents when we are forced to vote yea or nay to a block of legislation with such diverse concerns? How can we do that? Dividing the bill logically into its various components would facilitate the democratic process. It would also allow for meaningful votes based on the analysis and voter reaction of each part of the bill.

That is the reason for our motion. We are not trying to be obstructionists; we are being practical. We want the procedures of the House to be understood by the voters. An omnibus bill is not a common sense way of doing things. People sent us here to bring common sense ideas to Parliament. I think the voters would agree with our position on omnibus bills and the motions we have introduced today.

I would like now to specifically address each of the changes to Bill C-17 that we would implement in respect of the Unemployment Insurance Act. I am going to comment on these as I go along.

First, the bill would roll back UI premiums for 1995 and 1996 to \$3 for every \$100 in insurable earnings, down from \$3.07. The Reform Party generally supports this measure but would ask the government to consider further reductions in payroll taxes. If jobs are created by doing this, why not find other ways to reduce payroll taxes?

Second, the bill will reduce UI benefits to 55 per cent of insurable earnings, down from 57 per cent. The Reform Party supports this measure but would ask the government to further reduce benefits to bring them in line with benefits paid by other OECD countries and to lessen dependency on the system.

Third, the bill will increase the benefits for those UI claimants with low earnings and with dependants to 60 per cent of insurable earnings, up from 57 per cent. The Reform Party supports this measure because it states: "to target payments to those people who are most in need". That should be the aim of our social program.

Fourth, the bill will increase the minimum amount of time a person needs to qualify for UI from 10 weeks—

The Speaker: The hon. member of course will have ample time at the end of question period to take up where he left off.

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It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

ETHANOL

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, ethanol is being presented as a subsidized gasoline additive offering environmental benefits.

However, the United States energy department earlier this month revealed that an assessment study of ethanol showed that the losses outweigh the gains, taking into consideration the money spent and pollution created in production and distillation. In fact ethanol will produce negligible if any benefits for air quality.

In the U.S., environmental groups such as the Sierra Club have publicly expressed their opposition on the basis of cost, use of fertilizers and potential pollution resulting from production.

Similarly the American experience reveals the economic trickle down to the farm community is negligible.

Anyone who spends taxpayers' money expects a positive result. Before we embark on this experiment let us remember those taxpayers and be in a firm position to tell them just what they are receiving.

* * *

[Translation]

REFUGEE STATUS

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, some very serious problems have undermined the credibility of the process to review, on compassionate grounds, cases in which refugee status was denied. Although the Minister of Citizenship and Immigration has been aware of these problems since March, there has been a steady stream of deportations without any particular show of concern by the minister.

The Davis Wallman report is clear: the process lacks compassion, it is arbitrary and it puts in jeopardy the lives of hundreds of people deported to their country of origin where human rights violations are the order of the day.

We have every reason to ask ourselves whether Canada still observes its international obligations or whether it is taking an increasingly suspicious and rigid stance.

The minister can no longer afford to hide behind studies and committees. He must act now!

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[English]

PEACEKEEPING

Mr. Jack Frazer (Saanich—Gulf Islands): Mr. Speaker, having yesterday returned from a special joint defence committee visit to our Canadian forces servicemen and women in Bosnia and Croatia, I want to report that we found them enthusiastic about their role and activities in that theatre.

Although only recently rotated into the region, they have quickly and effectively adapted to their conditions and the situation in which they perform their duties. They have rapidly learned about the area for which they are responsible and the people with whom they must negotiate to achieve a peaceful resolution of the many problems encountered.

Our forces are required to display copious quantities of resolution, diplomacy, patience, compassion and understanding and once again they have risen to the task.

The local people respect them for their professionalism, their dedication, their impartiality and firmness.

Although we are a long way from achieving a solution to the problem, all Canadians can take pride in the part that Canada, through our Canadian forces, is playing in the former Yugoslavia.

* * *

STRATFORD FESTIVAL

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I rise today to invite all members of the House and all Canadians to attend the Stratford Festival, Canada's national English speaking repertory theatre.

Monday, May 30, marks the official opening of the 42nd season of the Stratford Festival, the jewel of southwestern Ontario. North America's most esteemed repertory company performs on three world class stages in a town renowned for its park systems, shops and restaurants. This is a cultural success story.

The theatre achieves the highest artistic standards while attracting thousands of visitors to the region every year and pumping millions of dollars into the local economy.

This season ends on November 13 and offers 10 marvellous productions. I hope to see you in attendance.

* * *

THE ENVIRONMENT

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, an excellent example of how government, industry and the community are co-operating to restore our environment is evident in my riding of Central Nova.

The Scott Maritimes pulp mill in my riding has been working steadily with the province of Nova Scotia in recent years to improve the quality of the effluent that is being released into the adjacent lagoon at Boat Harbour.

Scott Maritimes Limited is upgrading its treatment facility to meet federal government pulp and paper effluent regulations. In addition, the province, as owners of the Boat Harbour treatment facility, has proposed the construction of a pipeline to discharge the treated effluent one kilometre out into the Northumberland Strait instead of into the Boat Harbour lagoon.

Mr. Speaker, be advised today that the pipeline proposal is being subjected to an initial environmental assessment by Environment Canada, in co-operation with other federal departments and the province, to address environmental and social impacts.

As a first step, federal officials will meet in early June with fishermen, native groups and other local organizations.

* * *

THE LATE JOHN WINTERMEYER

Ms. Shaughnessy Cohen (Windsor—St. Clair): Mr. Speaker, I rise today to pay tribute to John Wintermeyer, formerly of Kitchener, Ontario, who died recently after a courageous battle with Lou Gehrig's disease.

John Wintermeyer was a past leader of the Ontario Liberal Party. Although never elected, he stood for the finest principles in politics and was a pillar of his community and his church.

(1405)

Three of his sisters and his brother-in-law, who is my favourite uncle, are in Ottawa today. I would ask all hon. members to join me in honouring the memory of the late John Wintermeyer.

* * *

[Translation]

CIRQUE DU SOLEIL

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, today I would like to draw the attention of the House to the tenth anniversary of the Cirque du Soleil, an organization that has acquired international fame.

Over the years, many awards have confirmed the genius of these performers, including the gold medal of the second international circus festival in Genoa, the gold medal of the fifteenth Festival mondial du cirque de demain, held in Paris, as well as several other awards in Europe, Asia and America.

Now ten years old, the Cirque du Soleil is still a remarkable testimony to Quebec's place in the world, with its 580 employees, including 162 performers, and an operating budget of several million dollars.

S. O. 31

A total of 6.5 million spectators have seen their performances, and another 1.5 million are expected to attend this year.

Here is an outstanding example of what Quebecers can achieve when they act independently.

* * *

[English]

YOUNG OFFENDERS ACT

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, yesterday I received letters from the 10th grade social studies class of Senator Gershaw School in Bow Island, Alberta.

One reads:

Dear Mr. Solberg:

I have decided to write to you on an issue that concerns me, the Young Offenders Act.

I am only fifteen so I can relate to the young offenders in this country better than an adult could. I saw on television a short time ago a little ten year old boy who is already an experienced car thief. He even admitted to his crimes—because he knew he could get away with it and—police could do nothing but “slap their wrists”.

I am appalled that we are protecting the criminals. About a week ago in Medicine Hat, a young offender stabbed another and his name was not released. Why? Who did the crime? Why are we protecting the child who stabbed another one of his classmates? We should be protected from him, not the other way around.

Is this the Canada we really want? These are the generations ahead that will be in charge of our great country. What happens then?

Yours truly,

Adam Larsen

* * *

MATHEMATICS OLYMPIAD

Mr. Ovid L. Jackson (Bruce—Grey): Mr. Speaker, as a former teacher of West Hill Secondary School in Owen Sound, it is my experience that the majority of students are good citizens.

I cannot tell members how proud I am when I look to the new generation of Canadians in our ranks who will be carrying the torch for Canada into the 21st century.

Today I rise to congratulate Chris Hendrie from West Hill Secondary School in Owen Sound. Chris has just been selected as one of six students from across Canada to be a member of the Canadian Mathematics Olympiad team.

This summer Chris will travel to Vancouver to prepare for the international Olympiad and from there he will travel to Hong Kong to represent Canada as a member of Team Canada in this world competition. The team is selected by members of the

Canadian Mathematical Society under George Gwynter from St. John's, Newfoundland.

The Canadian team is composed of four students from metro Toronto, one student from St. John's, Newfoundland and one student from Owen Sound.

* * *

CYSTIC FIBROSIS MONTH

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, May is Cystic Fibrosis Month. This reminds us of the tremendous challenges experienced by those who have cystic fibrosis. It is an inherited disorder that affects primarily the respiratory system of small children, and it causes devastating and ultimately fatal damage to the lungs.

Since 1960 the volunteers of the Canadian Cystic Fibrosis Foundation have been working to improve the lives of those affected by cystic fibrosis and to find a cure. Through research and better forms of treatment, the life expectancy of those who suffer from the disease has increased from under four years to more than 30 years.

I urge all members of the House to support the work of the Canadian Cystic Fibrosis Foundation and the researchers who are dedicated to finding the cause of, and a cure for, this disease.

* * *

[Translation]

FILM INDUSTRY

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, I would like to congratulate the Toronto director, Atom Egoyan, who just won the International Critics Prize at the 1994 International Film Festival in Cannes for his film “Exotica”.

A young film-maker of only 33, Atom Egoyan quickly distinguished himself with his talent, his wit and his creative audacity, in films like “Family Viewing”, “Speaking Parts” and “The Adjuster”, widely acclaimed on the international scene.

(1410)

[English]

Since making his first feature film in 1985 his works have attracted increasingly large audiences both in Canada and internationally. *Exotica* is the first Canadian English language film since 1985 to be in official competition at Cannes. This honour clearly represents an important milestone for the recognition of our feature film industry.

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[Translation]

HIBERNIA PROJECT

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, the release, this week, of a new study on the Hibernia project gives us another opportunity to express the concerns of Canadians and Quebecers who see this megaproject has a financial black hole. This study by two professors from Memorial University, in Newfoundland, shows clearly the folly of this undertaking which requires billions of dollars of public money just to survive. Even the General Secretary of OPEC was, this week, casting doubts on the economic validity of this project.

By stubbornly refusing to demonstrate to the people of Canada that Hibernia will eventually be cost-effective, the Canadian government is proving once more that it does not know how to deal responsibly with public money. It is asking the population to continue to support blindly this shameful and unjustifiable waste of public funds.

* * *

[English]

JUNIOR A HOCKEY CHAMPIONS

Mr. Myron Thompson (Wild Rose): Mr. Speaker, it gives me great pleasure to announce that this year's Centennial Cup Junior A hockey champions come from the heart of the Wild Rose country, Alberta, known as the Olds Grizzlies.

Due to the outstanding efforts of the coach, his staff and the entire team, the Grizzlies were undefeated throughout the entire round robin tournament. They competed against such fine teams as the Chateauguay Elites from Ontario and Quebec, the Red Wings of Weyburn, Saskatchewan and Manitoba, the Kelowna Spartans from British Columbia, and the Bulldogs from Antigonish, Nova Scotia.

This achievement could not have been possible without the hundreds of volunteers who not only own, but run the team on a day to day basis. During this time of fiscal restraint this is a perfect example of people donating their time for something they believe in without regard for monetary return.

On behalf of the constituents of Wild Rose, we are proud of this team's accomplishment and the contribution it has made to sport in Canada.

* * *

HEARING AWARENESS MONTH

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, I am pleased to remind the House that May is Hearing

Awareness Month. This is a time to recognize how important hearing is to communicating. It is also an opportunity to promote public awareness about deafness and to emphasize the importance of protecting our hearing.

More than a million Canadians have a hearing loss, with the greatest incidence occurring among the elderly. For people with this problem, communicating may necessitate additional resources such as sign language, oral interpreters, and telecommunications devices for telephone access.

Many national, provincial and regional organizations such as the Canadian Association of the Deaf, the Canadian Hard of Hearing Association and the Canadian Hearing Society work diligently to improve the lives of deaf and hard of hearing Canadians through services and advocacy.

Let us all acknowledge the challenges faced by those with hearing loss and urge Canadians to safeguard their hearing. It is a precious avenue of communication.

* * *

PEACEKEEPING

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the Special Joint Committee on Canada's Defence Policy has just returned from hearings and briefings at NATO headquarters in Brussels.

We also visited, travelled and lived with our 2,000 Canadian soldiers who are doing a superb job of enforcing United Nations' peacekeeping rules within the former Yugoslavia.

When we accompanied our soldiers throughout the vast area they patrol on land and sea, we saw the devastation of war and man's inhumanity to man which one could not believe without seeing and without on site briefings.

What a first rate job our Canadians are doing. What dedication and professionalism they are exemplifying. They perform humanitarian tasks far beyond the call of duty. They are firm in handling infractions of the United Nations rules and are respected.

The soldiers feel very disappointed that all their efforts to represent Canada are not being recognized by the media, including the CBC. Many of the reports that get back home come through the BBC.

Come on, Canadian media, let's give our troops some well deserved recognition. Put Canada out front where she belongs in promoting peace.

Oral Questions

(1415)

JEAN-PIERRE PAQUET AND ANDRÉE MASSICOTTE

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I am pleased to have the opportunity today to give some words of praise for two dedicated public servants.

Members may recall a recent incident in Saudi Arabia where a group of foreign nurses were harassed and assaulted by local authorities. One of my constituents, Mr. Terry Wood, spent that entire weekend seeking information about his daughter, fearing she may have been involved in that incident. Happily she was not.

Mr. Wood is extremely grateful for the assistance he received from two watch officers with the Department of Foreign Affairs who were on duty that weekend, Jean-Pierre Paquet and Andrée Massicotte. Mr. Wood feels that the effort they put forth on his behalf went beyond basic job requirements and that they truly went that extra mile to see his concerns settled.

When a family member is in trouble incidents such as this one become very important indeed, something Mr. Paquet and Ms. Massicotte obviously recognize.

Their efforts on Mr. Wood's behalf reflect great credit on the Department of Foreign Affairs and on the public service as a whole and they are to be highly commended.

ORAL QUESTION PERIOD

[*Translation*]

DEVELOPMENT OF CANADA'S FRANCOPHONIE

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is for the minister of heritage. In a submission today to the official languages committee, the Fédération des communautés francophones et acadienne points to the urgent need to adopt a comprehensive policy for the development of Canada's Francophonie. The federation is of the opinion that the lack of a comprehensive policy is preventing the federal government from fulfilling its responsibilities under the Official Languages Act.

My question is as follows: Does the minister recognize the urgency of the situation and the need to implement immediately a comprehensive policy for the development of Canada's francophonie, given that the federation is arguing today that the absence of such a policy is the reason for the failed interdepartmental co-operation effort and for the relaxation in the application of the Official Languages Act?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am pleased to report that such a policy is on the

drawing board. A great deal has already been accomplished and we will continue to meet our legal obligations in the area of official languages.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, here is a government that has been in power for six months and, in the face of an emergency, responds that the policy is on the drawing board. That will not do.

How can the minister not commit immediately to adopting in the coming weeks a general, comprehensive policy on the development of La Francophonie? According to the federation, which proclaims the urgency of the situation, "the rate of assimilation is increasing and the socioeconomic situation is deteriorating".

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the Leader of the Opposition does not seem to have paid close attention to our actions in recent months. We have increased grants to La Francophonie in different parts of Canada. School governance has been spared budget cuts. We have negotiated and are continuing to negotiate a whole series of agreements with minority groups and provincial governments. If the Leader of the Opposition would like a list of our achievements, I would be delighted to provide him with one.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it would appear that the Fédération des communautés francophones et acadienne did not benefit from any of achievements on which the minister is complimenting himself since today, it has sounded the alarm.

Will the minister commit today to establishing the central federal agency which the federation is demanding to put an end to the process of assimilation which, and I quote, "is having a devastating impact on these communities"?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, clearly, we have not spoken to the same persons. The Leader of the Opposition is getting his information from malcontents, while I have talked to people with whom I am negotiating. My objective is to ensure the survival and growth of these communities across Canada, not to make political hay for reasons known to us all.

* * *

COLLÈGE MILITAIRE ROYAL IN SAINT-JEAN

Mr. Michel Gauthier (Roberval): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. Last week, the Minister of Intergovernmental Affairs announced that an agreement had been reached with the Quebec government concerning the College in Saint-Jean, which was proof, he said, that federalism was alive and well.

Oral Questions

(1420)

Last Tuesday, the minister stated before this House, and I quote:

We clearly had a meeting of the minds on a number of items that will be part of the final round of negotiations. But, as I indicated last week, the final agreement is not ready yet.

Mr. Speaker, yesterday, the Quebec Minister of Education, with whom the Minister of Intergovernmental Affairs is negotiating, told the National Assembly: "As we speak, I have yet to receive what I have requested, namely a written federal proposal to use as a basis for our discussions and negotiations".

How can the minister expect us to believe that an agreement is about to be reached with Quebec when his colleague admits to not even having received the document required to start negotiations?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, I can only repeat what I said in response to the previous question and inform the member opposite that the Minister of Education, Mr. Chagnon, is now in receipt of a written proposal.

Mr. Michel Gauthier (Roberval): Mr. Speaker, instead of blathering on, does the minister not agree that the problem he is facing right now is the stubborn refusal of his colleague, the Minister of National Defence, to let it be business as usual at the Collège militaire royal de Saint-Jean, as requested by the Quebec government?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Quite the contrary, Mr. Speaker, the minister of defence has been of great assistance to me during the course of the negotiations. When the final agreement is signed, I think the proof will be there, plain and simple.

* * *

*[English]***YOUNG OFFENDERS ACT**

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is for the Minister of Justice. The minister has stated on numerous occasions that amendments to the Young Offenders Act will be introduced before the summer recess. Including today, there are 21 legislative days left in this session.

Will the minister tell the House precisely when these amendments will be introduced and, even more important, when the minister expects to see them actually passed into law?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the government remains on track. As we said from the outset we intend to introduce during June changes to the Young Offenders Act. I expect if we have the

co-operation of all parties we can enact them into law very quickly.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, there are specific changes which could be made quickly and easily to the Young Offenders Act. For example, the age parameters of the act could be reduced from the current 12 to 18 years to a proposed 10 to 16 years.

My colleague from New Westminster—Burnaby recently put this proposal forward in the form of an opposition motion but it was defeated by both the government and the Official Opposition.

Why is the minister reluctant to respond decisively to the demands of Canadians by immediately introducing specific amendments to the Young Offenders Act which after consultation with the House leaders could be passed before the summer recess?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the decisiveness of the government will be shown with the legislation we will bring forward here. But as I have made clear to the House on past occasions, we intend to deal with the Young Offenders Act in two ways. First, is the introduction of the legislation that will contemplate specific changes and which we are going to ask this House to consider for immediate implementation.

Second, I am going to turn over the statute in its entirety to the Standing Committee on Justice and Legal Affairs with a request that in this the 10th year of its operation that statute be looked at thoroughly from one end to the other, that the committee hear witnesses, hear the concerns of Canadians, speak to those most affected by this legislation and decide once and for all whether in current circumstances the Young Offenders Act remains the best model for juvenile justice for Canada.

Those are the two steps we are taking. The first is a bill for specific changes at the outset and, second, a thorough review in the course of the coming months through the standing committee.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I still have some very real concerns because for nine years under the Tories Canadians heard all the promises that action on the Young Offenders Act was a government priority. The recent announcement by the Solicitor General that the promised registry for child abusers will be delayed has created speculation that the Liberal government may be issuing the same hollow promises.

(1425)

Will the minister reassure Canadians that the well publicized split within his party on this issue will not derail his commitment to immediate, and I emphasize immediate, reform to the Young Offenders Act which the House could deal with promptly?

Oral Questions

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can report that there is no split within this party on the changes being made to the Young Offenders Act.

The fact is that we are acting on campaign commitments in introducing the changes that are contained in the bill that will be put before this House within the coming weeks.

So far as the national registry is concerned, I am constrained to correct the impression left by the hon. member that that proposal is in some way being derailed or delayed. The fact is that we will be releasing today or tomorrow the discussion paper which was referred to in the House on the steps to be taken to create the registry. In consultation with Canadians, members of the House and our provincial counterparts, this government is going to design and put in place, probably through an adaptation of the existing CPIC technology to begin with, a registry of child sexual abusers that will be available for use in the fall of this year.

* * *

[Translation]

SOCIAL PROGRAM REFORM

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development. The statements made by the Auditor General of Canada confirm that the Minister of Human Resources Development has launched a reform of social programs without the information required to make a real diagnosis. The Auditor General also deplored the lack of co-operation between Ottawa and the provinces.

Does the minister admit, as the Auditor General points out, that he has launched a reform of social programs before he was ready and that his haste can only be explained by his eagerness to meet the budget requirements of the finance minister, who has found no better way to reduce his deficit than to make the poorest people pay?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would like to reply to the hon. member by quoting the Auditor General himself. He said, "I find nothing wrong with his approach". The answer is clear. The Auditor General does not have a problem with our approach. He asked for other assessments and I agree with him. That is why we have an agreement with all the provinces to exchange information on social programs.

Mrs. Francine Lalonde (Mercier): Mr. Speaker, given that this reform of social programs is not included in the red book, that the Liberals did not bother to get the information at that time and that they are not mandated to carry out this reform, does the minister admit that the reform must be based on the full satisfaction of the provinces and that they must therefore be

closely involved in the process, unlike what has been done so far?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, in the last week we have had a report from Statistics Canada based upon a very substantial evaluation showing that the unemployment insurance system has a very strong impact upon the way jobs are created in this country, a detrimental impact.

We have had a major report from the Centre for Policy Alternatives based upon two studies of economists in Quebec saying that there is a substantial cost to unemployment in the country. We received a report just yesterday from the Family Planning Council in Toronto which says:

Unless we develop innovative programs to ensure that young families do not become outsiders, Canada's future is truly endangered.

There were three specific reports in the last week that point to the fundamental need to reform our social programs. Our mandate comes from people who are concerned about the future of this country, not the opposite side who have no concern about Canada.

* * *

(1430)

HEALTH CARE

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

Last week the four western premiers jointly requested that one of the 10 premiers should co-chair the upcoming forum on health care with the Prime Minister.

Health care is a provincial responsibility and the provinces pick up the large bulk of the health care tab. On this basis, does the Minister of Health agree that the premiers deserve better access not only to health care but also to decision making and that one of the premiers should co-chair this important upcoming meeting?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I am quite pleased to answer the hon. member's request.

The national forum on health is meant to be an advisory body to the Prime Minister and to this government. However there is a place for the ministers of health both federally and provincially to discuss matters and to make decisions. There is also a place for premiers to meet, discuss and make decisions.

We certainly are not in any way wishing to take away the powers of the premiers as they meet and discuss issues nor do we want to take away the decision making process of the ministers of health.

Oral Questions

The national forum on health will look at long term issues rather than the day to day occurrences within the health system and health. Remember, I am the Minister of Health, not just the minister of health care.

Miss Deborah Grey (Beaver River): I have a supplementary question, Mr. Speaker.

On Tuesday the Minister of Health said that she was forced to withhold health care funds from B.C. because she had a duty to enforce the Canada Health Act.

Another provision of that act the federal government conveniently ignores is its commitment in that act for funding for 50 per cent of health and health care costs. At present the federal government funds less than 35 per cent of those total costs.

Could the minister explain why she vigorously enforces some portions of the Canada Health Act while conveniently allowing the federal government to ignore its commitment under that act to funding 50 per cent of all health care costs?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I would suggest that the hon. member look more closely at the Canada Health Act. The Canada Health Act has five principles. It does not mention a percentage of funding.

During the last election as part of our red book we clearly stated that we supported the principles of the Canada Health Act and yes, we stood by them, unlike the party across the way which during the last election made absolutely no mention of the fact that it was in favour of extra billing and a two tier health system.

We were very clear on our stand. I say to that party, shame.

* * *

[Translation]

HEPATITIS C

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. On May 11, the minister said in this House: "It might be in the best interest of all Canadians who fear they might have contracted Hepatitis C due to a blood transfusion to be in contact with their physicians. That would be very advantageous to anyone who fears that."

Beyond this amazing statement, has the minister decided to assume her responsibilities and ask officials in her department to ensure that people who might be infected are finally contacted?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we now have a commission of inquiry on blood. This commission is sitting today and considering all issues related to possible problems with blood transfusions.

I tell you, Mr. Speaker, that all these issues concern us.

(1435)

We want to do all we can to support the Krever Commission. That is what we are doing and we very much look forward to their report. We know that the commission will give us some guidelines and we will consider the issue within that timeframe.

Mrs. Pauline Picard (Drummond): Mr. Speaker, those infected with Hepatitis C are victims of the worst negligence in the history of Canada's health care system and 75 per cent of them still do not know that they are infected.

Despite what the official in charge of the Bureau of Biologics in her department said, does the minister know that there is a treatment to help carriers of Hepatitis C and that this fully justifies her taking immediate action to reach these people?

[English]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, concerning all of the problems with diseases that may be transmitted through blood transfusions, I am happy to say we have taken these questions so seriously. We have agreed to extend the timeframe for Judge Krever to report to us. We understand that he needs to do a very in-depth study of all of these questions.

I am pleased to say that we will also consider giving him additional funding to meet these extended deadlines.

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ELECTORAL BOUNDARIES

Mr. Stephen Harper (Calgary West): Mr. Speaker, my question is for the Acting Prime Minister.

Yesterday the Senate approved amendments to Bill C-18 to ensure that riding redistribution takes place before the next election. However, the government leader in the Senate indicated that one of the problems with the current process was the lack of supervision of the independent, non-partisan boundary commissions.

Could the Acting Prime Minister explain what sort of supervision the government thinks is required? Why does the government not support the independence of the independent commissions?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the government supports the concept of an independent arm's length setting of riding boundaries.

We have said however that the process for doing this has not been thoroughly reviewed since it was created in 1964 and that is why the House has agreed with our proposal that this be looked at by the procedure committee of the House of Commons. I look forward to the early report of that committee.

Oral Questions

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am glad to hear the government supports the independence of the commissions which have now virtually completed their work at a cost of over \$5 million.

Surely killing the process is not a serious priority for this government. Could the Acting Prime Minister assure the House that the only reason left for stopping this redistribution again would be to follow the suggestion of my party echoed by the Minister of National Revenue that the number of seats in the House of Commons be capped or reduced?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the suggestion of the hon. member is one that deserves to be looked at by the House of Commons procedure committee.

Before one makes a decision on that, one has to consider the impact of capping or reducing the number of seats on the expectations of people in certain parts of Ontario where populations have grown and the expectations of people in the province of British Columbia where populations have grown for additional seats.

It is interesting for the people in British Columbia to hear from the Reform Party that it does not want additional representation for the people in that province.

* * *

[Translation]

HEPATITIS C

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, my question is for the Minister of Health.

The Krever commission has already been sitting for six months and will probably be sitting for a while yet. In the meantime, the life of some Canadians is in danger. Again, I ask the minister: What does she intend to do to warn those who are in good health?

(1440)

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I am very pleased to speak about people who enjoy good health. I do not think that they need to be told they are in good health. The hon. member's question is truly extraordinary, but I understand that he may have misspoken.

Let me reassure you by saying that we take a real interest in this issue. However, as I said before in this House, it must be understood that medical treatments always involve some risks. Nothing is 100 per cent sure. It goes without saying that if people think they are suffering from side-effects, they should see a doctor. This is my opinion. In the meantime, we are interested in hearing what Mr. Justice Krever will have to say about these blood transfusions and their recipients.

The Speaker: I simply want to remind members that they must always address the Chair.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, does the minister realize that some people will die while she just sits and waits for the findings of the Krever commission? Will the minister do something to save these people? After all, their life is in danger.

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let us not get carried away! People have good reason to feel rather safe. If one have problems, one goes to see a doctor. We can get very good treatment in this country. Hepatitis C is not AIDS. Let us be reasonable, Mr. Speaker.

* * *

[English]

INTERPROVINCIAL TRADE

Ms. Judy Bethel (Edmonton East): Mr. Speaker, my question is for the Minister of Industry.

Interprovincial trade barriers are costing Canadians as much as \$7 billion and many are losing economic opportunities while the discussions drag on. Some provinces are co-operating and some are making it difficult to remove costly barriers for other Canadians.

Could the minister tell the House what he is doing to get the co-operation of all provinces and to meet the June deadline for an agreement?

Hon. John Manley (Minister of Industry): Mr. Speaker, the member for Edmonton East raises a very important issue which I think most Canadians find quite astonishing, that while Canada has entered into international trade agreements it has failed to find a way to reduce interprovincial trade barriers which in some ways would not be permitted in our relations with other countries.

I am pleased to advise the House that progress is being made. A great deal of effort is being put into this project by ministers who are members of the committee of ministers on internal trade, ministers from all provinces and the territories, as we work toward the June 30 deadline.

Given the commitment that is being made on the part of all provinces, there is a very good prospect it will succeed in having a broad based and worthwhile framework agreement together with comprehensive chapters in a number of areas, a number of sectors, which will provide a good base for continuing progress in this issue.

Frankly I find the spirit of co-operation from all provinces very encouraging, although I must say I worry about retaliatory action being taken by Ontario in light of the results of the Stanley Cup playoff game the other night.

*Oral Questions***CANADIAN INTERNATIONAL DEVELOPMENT AGENCY**

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, my question is for the Minister of Foreign Affairs.

It is becoming apparent that the mandate and operation of the Canadian International Development Agency needs a thorough review. The OECD, the academic community and the Auditor General have all demanded changes to CIDA. We hear reports and we read all the time that CIDA's mandate may even be at cross purposes with the humanitarian objectives of Canadians.

Will the minister bring in enabling legislation so that Parliament, not cabinet, can debate and eventually direct CIDA's mandate?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, CIDA has a very clear mandate, one of sustainable development in developing countries.

(1445)

The hon. member knows very well because he was at the meeting this morning. The Canadian Council for International Co-Operation appeared before the joint committee on foreign policy and it praised CIDA for providing a very enviable reputation in many countries where it is doing work.

The hon. member also knows we are now going through an in depth review of foreign policy, including foreign aid, defence and other issues. Any recommendations the member has should be made to the joint committee on foreign affairs which may consider some of his recommendations. However it would have to be an agreement of the foreign affairs standing committee.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, part of the problem is that Parliament does not have an opportunity to give direction to CIDA because it is a creation of cabinet and is not under the direction of this House of Commons.

In order to reassure CIDA management, Canadian NGOs and the Canadian people, will the minister bring in that enabling legislation to refocus CIDA's mandate on the truly needy people of the world?

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, I will pass the hon. member's question on to the minister. Again the hon. member knows the forum to which to take such a recommendation.

I would not agree with the hon. member when he says that CIDA is not accountable to Parliament. The Auditor General just did an in depth audit of CIDA programs, specifically in three Asian countries. He gave CIDA a glowing report.

There is accountability. No one more than the workers in CIDA are conscious of getting the best for the Canadian tax dollar. They know how hard it is to collect that dollar and they spend that dollar very wisely. They look at their objectives and the programs that would meet those objectives. The hon. member must know that before a program is implemented the local provincial governments are consulted, as are the NGO people.

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[Translation]

AVCORP INDUSTRIES

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, AVCORP Industries, a subcontractor in the aerospace sector involved with the EH-101 helicopter program, finds itself in dire straits while waiting for compensation from the federal government, as promised by the Prime Minister after he cancelled the helicopter contract. This firm is desperately trying to convert to civilian production.

Does the Minister of Industry not realize that his attitude, in dragging his feet with respect to compensation for those businesses which were penalized by the cancellation of the helicopter contract, is threatening the very survival of several of them, including AVCORP?

Hon. John Manley (Minister of Industry): Mr. Speaker, I believe that the government made it perfectly clear, when it announced the cancellation of the helicopter contract, that there would be no compensation for the companies involved, except for contracts between the government and those companies.

[English]

It was quite clear and the Leader of the Opposition should try to understand there was no offer of compensation outside the contracts. The contracts are being settled by the process of negotiation and perhaps legal proceedings.

On the broader issue of defence conversion, we have discussed that in this House many times. There are many elements to a defence conversion policy.

The government has a program which is intended to aid companies in converting from defence to civilian or dual use purposes. The program is known as DIPP.

[Translation]

Since November, when this government came into office, we have agreed to 41 proposals under DIPP, 39 of which came from companies converting to civilian production or dual use purposes.

Mr. Réjean Lefebvre (Champlain): Mr. Speaker, does the case of AVCORP not show clearly to the minister that a defence conversion program is more urgent, and does he not remember that the Liberal Party of Canada had promised such a program during the last election campaign?

Oral Questions

(1450)

[English]

Hon. John Manley (Minister of Industry): Mr. Speaker, yes, we did make commitments about defence conversion and we are honouring those commitments.

What is very confusing about the Bloc members' position is that they seem to think the taxpayer of Canada is prepared to sit and write cheques to companies in order to help them succeed.

We are prepared to sit down with management of the companies and help them find strategic approaches to their marketplace. We are prepared to work with them to find ways in which they can find new products and new solutions to their problems. However if the hon. member's idea is that there is some kind of deep pocket out there that can put money into companies then he did not read the red book. We talked about cutting subsidies to business and that is what we stand for.

* * *

AGRICULTURE

Mr. Jake E. Hoepfner (Lisgar—Marquette): Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food.

Last December the government acted on a Canadian International Trade Tribunal recommendation for an annual quota of 72,000 tonnes on imported boneless beef. This measure was necessary to prevent serious injury to the Canadian beef industry. Now the government has increased that quota to 85,000 tonnes.

Why is the government disregarding the CITT recommendation, thereby abandoning the Canadian beef industry?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, the government is most certainly not abandoning the Canadian beef industry. The CITT recommendation upon which the government acted last December also included the recommendation that we should monitor the situation and take into account changing circumstances.

A surprising thing which occurred this year is that the 1994 quota level which was established in the area of 72,000 tonnes was in the process of being filled very early in the year. I think none of the participants in this process anticipated that. When it became obvious the quota was about to be filled, some 12,000 to 15,000 tonnes of product which had been contracted for at a lower price were actually in transit. Because of the time taken in transit the product would have arrived in Canada at the higher price and subject to the surtax. Therefore the number was

adjusted to take into account, among other things, that volume of product which was actually in transit and would have been treated unfairly upon its arrival in Canada at the higher price.

We continue to monitor the situation. There are discussions going on today and tomorrow with respect to the importation situation for offshore boneless beef. We will try our best to keep a very balanced view of the situation to make sure that all Canadian interests are properly taken into account.

Mr. Jake E. Hoepfner (Lisgar—Marquette): Mr. Speaker, I thank the minister for that answer. I would like to point out to him that cattle farmers have taken a 20 cents per pound reduction in prices since January. At present beef exports from Australia and New Zealand to the U.S. are down, while exports from Australia and New Zealand to Canada are up 47 per cent. Our cattle producers are being forced to ship live—

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

Mr. Hoepfner: Excuse me, Mr. Speaker. Why is the minister putting the Canadian cattle industry at risk and also allowing the export of jobs in the Canadian beef processing industry?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, it is certainly not my intention nor that of the government, nor that of any Canadian I am sure, to put the Canadian cattle industry at risk.

Over the last period of time while we have been plagued with some difficulties in our grain sector, the red meat sector particularly the beef industry, has been one of those bright spots we would obviously want to encourage in every way possible.

I am certainly sensitive to the point the hon. member has made about the need to ensure the viability of this industry, including the processing and further processing side of this industry for the future. That is indeed one of the factors the government will take into account in making its decisions from time to time with respect to imports.

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*[Translation]***SOUTH AFRICAN ELECTION**

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is for the Secretary of State for Latin America and Africa. Like the vast majority of Canadians, I applauded the success of the election held last month in South Africa. I was particularly proud of the prominent role played by Canada in supporting the democratic process in that country.

Oral Questions

(1455)

Can the minister tell the House how the Canadian government will help the new Mandela government and the people of South Africa, especially during this post-election period, which is so crucial for the future of that country?

[English]

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Mr. Speaker, yesterday I had the pleasure of tabling in the House the report of the official delegation of observers to the elections in South Africa, a very historic event. I have said and I repeat to the House today that elections are just the first but very critical step for South Africa on the road to democracy.

I am very pleased to announce to the House today that cabinet has made the decision that South Africa is now fully eligible for official development assistance. Through this process we will be looking to see how we can continue to help South Africa grow on the road to democracy.

Today I have pulled together a group of Canadians who have been very involved in South Africa up to now. This symposium of non-government organizations, media, business people and officials from government is trying to find out in particular how we can use official development assistance to help South Africa in its ongoing process of democratic development.

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*[Translation]***INDIAN AFFAIRS**

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, my question is for the Minister of Indian Affairs. This morning we learned that the minister gave to the former president of the Liberal Party of Canada, Michel Robert, the mandate of negotiating the establishment of an independent Mohawk territory in Kanesatake. In that regard, the minister said that the top priority was the project to expand the native cemetery.

We all agree on the need to solve the native cemetery issue. However, will the minister pledge to ensure that the case of the forgotten ones of Oka, which has been dragging for two years now, will not be shelved by his negotiator, Michel Robert?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, if I understand the preamble that there is a reference perhaps to the negotiator's confidence, I want to point out that the appointed negotiator was the president of the Canadian Bar Association—

Some hon. members: Oh, oh.

Mr. Irwin: Okay. The Bloc agrees he is a very competent person with a big reputation.

As to the process, everything is on the table. There is going to be an orderly process on the cemetery, the houses north of 344, the houses south of 344, the Seigneurie of Deux-Montagnes, past housing grievances, working with the Mohawk community toward some of the catch up on the program of financial responsibility.

What I wanted was a process that would move pragmatically ahead. With the appointment of Michel Robert as our negotiator that will happen. Moreover, I have approached a member of the Quebec judiciary at the Supreme Court level. If we get permission, not only will we have Mr. Robert, but also a very eminent person from the judiciary who will act as a mediator and facilitator. I think my friend will be happy with that type of procedure.

[Translation]

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, I never questioned Michel Robert's competence. However, I ask the minister: Is there a link between the mandate which he just gave to Michel Robert regarding the Oka issue and the fact that Mr. Robert currently sits on the Security Intelligence Review Committee of the Canadian Security Intelligence Service?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, in its quiet way, that is an unacceptable slur on a man of the highest integrity.

He was president of the Canadian Bar Association, a member of the International Bar Association, the American College of Trial Lawyers. Do you want more? He was a Corporation of Industrial Relations counsellor, a member of the royal commission on economic union and development prospects for Canada, the McDonald commission, an appointed member of the Privy Council and, incidentally, a member of the security intelligence review committee.

(1500)

He is acceptable to us. He is acceptable to the Mohawk community and I do not accept that slur on a man of this type of integrity.

We should be glad that these types of men are prepared to come forward from Quebec to help the country.

Some hon. members: Hear, hear.

* * *

CARBON TAX

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, my question is for the Minister of Finance. Recently the former and current premiers of Alberta, as well as senior oil patch executives, voiced their concerns about the imposition of a carbon tax.

Government Orders

When questioned by my colleague from Prince George—Peace River, the Minister of Natural Resources said that to get a definitive answer we should ask the Minister of Finance. I ask him to provide the House with a one-word answer. Is the government planning to impose a carbon tax? Yes or no.

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I do not think the hon. member has been listening over the last little while. The only place I have heard a carbon tax mentioned is on the Reform Party.

We have never mentioned a carbon tax. We are not in the business of doing that. It seems the Reform Party is.

Mr. Cliff Breitzkreuz (Yellowhead): Mr. Speaker, let us lay this speculation to rest. We are genuinely concerned, given the fact that the national energy program was imposed by a Liberal government in the early eighties which was disastrous to Alberta and the west.

Will the government put an end to the speculation and just answer the question? Is the government considering a carbon tax. Yes or no.

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, I do not know which part of the word “no” he does not understand. We have never mentioned a carbon tax. Read the red book. Is it found in the red book? No, it is not in the red book. It is not a part of our policy, period.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw to the attention of the House the presence in the gallery of His Excellency Ahmed Abdulaziz Al-Sadoun, Speaker of the National Assembly of Kuwait, and parliamentarians who are on a delegation to Canada.

Some hon. members: Hear, hear.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, I want to ask the leader of the government in the House to inform us of the order of business for the next few days.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, with the weekly business statement, today we are debating the report stage of Bill C-17, the budget implementation bill.

Tomorrow the House will consider a number of bills. First, we will consider Bill C-26 regarding the National Library. Then we will move on to Bill C-30 regarding assistance to workers and then to Bill S-2 regarding certain international tax agreements.

If we make progress very quickly we could also look at the bill introduced today by the Minister of Canadian Heritage to deal with support for the Canadian Film Development Corporation.

On Monday the House will continue the report stage of Bill C-17 and on Tuesday the House will deal with third reading stage of that bill. On Wednesday the House will consider legislation, to be confirmed later, although I expect that Bill C-18 will be one of the items for discussion that day. Thursday, June 2 shall be an allotted day.

(1505)

Finally I want to dispose of the rumours that seem to abound every year around this time with respect to the date for the adjournment for the summer.

As usual, the rumours are not well founded. They keep talking about June 10 as a possible date of adjournment, but I want to say it is the present intention of the government to follow the parliamentary calendar set down in the rules and adjourn on June 23.

I should point out we have more than a dozen and a half bills to be dealt with by that date and members therefore can expect the House to sit during the evenings as provided in the rules for the period made up of the last 10 days before the adjournment.

That is my statement.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT

The House resumed consideration of Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994 as reported (without amendment) from the committee; and Motions Nos. 23 to 38.

The Acting Speaker (Mr. Kilger): I understand the hon. member for Yorkton—Melville has six minutes remaining on his intervention and therefore I will give the floor to the hon. member.

Mr. Garry Breitzkreuz (Yorkton—Melville): Mr. Speaker, I made the point that we could not accept the omnibus bill here. There are parts of it that we agree with but there is a part that we disagree with and therefore we have to vote against the whole thing because of one element, and that is not acceptable. I want to continue my remarks with regard to Bill C-17 and the Unemployment Insurance Act with the fourth point that I was making.

The bill will increase the minimum amount of time a person needs to qualify for UI from 10 to 12 weeks. The Reform Party supports this measure and would ask the government to consider making it tougher for repeaters to continue to get UI benefits.

Government Orders

The fifth point is that the bill will allow more workers who voluntarily quit their jobs or are fired with just cause to collect benefits. The Reform Party is opposed to this measure because there are now 43 just cause reasons which allow job quitters to collect UI. Need more be said?

Finally, the bill will reduce the length of time a worker can remain on claim and include specific provisions for areas of high unemployment. The Reform Party supports this measure because it will encourage workers to move to areas where there is a better chance of finding work.

As members can see, of the six major changes to the Unemployment Insurance Act the Reform Party supports five. Had the bill been only addressing these specific changes, the Reform Party would be voting in favour.

When I spoke on Bill C-17, I put the UI reforms outlined in this bill to a simple test which I referred to as the taxpayer's test. I would like to take my remaining time to discuss the principles we believe should be used to design and develop a true unemployment insurance program.

Reformers believe that the UI program is no longer a true insurance program. The system has been used and abused by politicians over the years. Now it is operating more like a social welfare program. People in many regions of the country are so confused that they now think unemployment insurance is a right.

Many Canadians see UI as an entitlement that comes without any obligations. A common observation for many workers is that "I have paid into it, therefore I am entitled to draw as long as I want". They proceed to do just that.

The majority of workers who have paid into the unemployment insurance program year after year and have never collected are tired. They are tired of paying the bills for the minority of workers who collect UI year after year.

Employers who pay UI premiums are tired of subsidizing other employers who use and abuse the UI program to keep a captive workforce. Reformers believe it is time to get back to some basic principles and return unemployment insurance to its original purpose, an employer-employee funded and administered program to provide temporary income in the event of an unexpected job loss.

(1510)

We know that the Minister of Human Resources Development is currently trying to develop an action plan for the reform of social programs. Reformers would like the minister to keep these fundamental principles in mind. The government says it is listening. I hope this is true.

I will go through this list without explanation because I do not believe my time will allow it.

(1) Social programs should be designed to eliminate all administrative duplication between the federal government and other levels of government.

(2) Social programs should be structured so as to minimize economic distortions and disincentives and thereby encourage clients to become economically productive.

(3) Social programs fall into one of two categories, income supplements or income insurance. Both should be financially sustainable but only income insurance programs can be self-financing.

(4) Income insurance programs should operate on true insurance principles. This means the workers who make repeated claims on the program and employers who repeatedly lay off workers would have to pay higher premiums.

(5) Income insurance programs should be democratized, meaning they should be administered by employers and the employees who pay for them.

(6) Income insurance programs must be accountable. Every Canadian should receive annual statements indicating how much he or she has paid into the program and how much she or he has received in benefits.

(7) Income insurance programs should treat all Canadians equally, regardless of the area of the country in which they reside. Regionally based entrance requirements, regionally extended benefits and other forms of geographically based discrimination should be prohibited.

(8) Income insurance programs should be designed to minimize abuse of the system. It should be possible to virtually eliminate abuse of income insurance programs once they are made completely self-financing and administered by workers and employers.

(9) Any large scale reforms to the federally administered social programs should be approved by the electorate in a national program.

I believe if the government is serious about reforming the UI programs, it should seriously consider applying these principles.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, I would have appreciated more time in order to address the amendments we proposed one by one. However, since according to our procedure, we can speak only once, addressing all the amendments to this clause which deals with unemployment insurance, I will keep my remarks fairly general.

I would like to start by commenting on what was said by the hon. member for the Reform Party. I was amazed he did not know how much he paid into the unemployment insurance fund and how much he received. You have to know both figures to do your income tax return.

Government Orders

This unemployment insurance reform has split Canada in two, and the people who support a united Canada and a great Canadian federation are now the first to attack—that is the term we must use, under the circumstances—the economy of the Atlantic provinces and the economy of Quebec, with no warning to all their supporters who voted for them in the Maritimes. On the whole, these proposals will bleed more than \$1.3 billion annually from the economy in Quebec and the Atlantic provinces. The members opposite have not heard the last of this from us, believe me. It is going to take a lot of infrastructure programs to make up for that.

We in the opposition are convinced that the government failed to consider the economic impact, because budget measures do have an impact on the economy. At a time when the economy is very weak and growth is slow and is not supported by an increase in employment, taking this kind of money out of the economy of the eastern provinces which are already in poor shape merely undermines what the government is trying to accomplish.

(1515)

Mr. Speaker, I would like to draw the attention of the House to two of the amendments we proposed. My colleagues will address the others, but since not much has been said about this aspect, I want to address the provision in clause 22 which reads as follows:

“(1.1)For purposes of paragraph (1)(b),—

It sounds confusing, but it is about making sure that claimants with dependants will receive 60 per cent of their insured earnings, and we want to ensure that the onus is on the Commission to establish that the claimant is not entitled to application of the rate of weekly benefit provided.

Let me explain. Claimants with dependants and insurable earnings of up to \$390 per week will be entitled to this 60 per cent. Three hundred and ninety dollars per week for someone with dependants is not much, but by introducing a form of assistance in an insurance program, the government may be faced with resorting to some kind of inquisitorial means test in the case of individuals who receive this kind of assistance instead of straightforward unemployment insurance benefits.

The purpose of our amendment is to allow the claimant who would receive the 60 per cent to establish a *prima facie* entitlement, and to put the onus on the commission to establish that the claimant is not entitled to this rate.

I would like to make a few comments regarding another provision, which we are also proposing to amend, and which may appear rather innocuous, in spite of the fact that it gives the minister all latitude to suspend the application of the provisions of the Unemployment Insurance Act in the case of workers who

have lost their jobs in areas where a pilot project is being conducted.

If you are lucky or unlucky enough to be involved in a pilot project, the usual provisions of the act may not apply any more, if the minister so decides. We believe that it does not make any sense at all and that is why we want the House of Commons to give its approval by resolution, to make sure that we have a public debate and that each pilot project is examined on its own merits. As I said before, being involved in a pilot project may be worth it, but you never can tell, and it is important to ensure that the minister cannot change, at will, the provisions of the UI Act.

The minister may say that he would never do such a thing, but the legislation is there, regardless of who is responsible for it. That is why it is very important for us to convince our colleagues opposite to accept this amendment. They may not have realized how enormous the powers they are vesting on the minister are. By giving him full latitude to deprive anyone, anywhere, of his or her legal rights to unemployment insurance, they are indeed giving the minister discretionary powers.

Mr. Speaker, this omnibus bill is a shame. As we said many times before, we do understand that the government is in a serious financial situation and that it must deal with the deficit.

(1520)

We strenuously object to this being done on the backs of people who are not only becoming vulnerable from losing their jobs but living in regions in which the economy is the most vulnerable.

To wrap up, those who cloak themselves in the Canadian identity are in fact engaging in a shameful cover-up because the proposed measures affect directly the economy, and even more so in Atlantic Canada than in Quebec, although Quebec's economy is also hard hit. Only 8 per cent of the total population of Canada lives in the Atlantic provinces; yet, they are hit with 26 per cent of the cuts. All the adjustment programs for Atlantic fishermen practicing ground-fishing will not make up—it will not even come close—for these drastic cuts.

Seeing that I have a couple of minutes remaining, I will say this. The government probably did not think about the depressing effect these measures would have on the economy. It is important for every citizen to bear in mind that when governments reallocate money taken out of our pockets to unemployed persons, this money is immediately pumped back into the economy. It is not used for speculation purposes or to buy luxury items which are generally imported. It is pumped directly back into the economy. It is used to pay rent which would otherwise be more difficult to collect, assuming that someone needs to collect rent. It makes life easier for small businesses which derive their livelihood from it and, of course, it makes life easier for families which depend on these provisions.

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Some will argue that there may be people who will use or abuse the system in the sense that they will apply repeatedly for unemployment insurance. Let me say that any one of these people who apply repeatedly for unemployment insurance would gladly trade places with someone who has been paying UI premiums for 25 years and always held a good, decent job.

Mrs. Monique Guay (Laurentides): Mr. Speaker, in the riding of Laurentides that I represent, the unemployment rate is 18 per cent, which is significantly higher than the national rate. One would have to be a little naive to believe the Liberal government's recent actions can lower this unemployment rate.

All you have done since October 25, all your decisions and actions are only a drop in the ocean. With your false optimism and pompous speeches, you try to mislead the population by telling them that your plan is working and producing results. In fact, you throw a few crumbs here and there. You aim for the precarious and the very short-term. In Quebec and in my riding, the pre-election period brings its usual jobs.

The provincial and federal Liberal ministers announce here and there that financial assistance will be provided under the infrastructure program, thus creating or preserving some temporary, short-term jobs. The government opposite is satisfied and delighted with its miraculous action.

But where is the true vision, Mr. Speaker? Where are the longer-term plans that would bring us a more stable economy, one that would create more jobs? Instead of seriously tackling the problem and looking for solutions, the ministers opposite go from place to place and see themselves as the bearers of good news.

The people opposite practice day-to-day management while waiting to see what will happen tomorrow. The unemployed people of Laurentides know full well that nothing has changed. There are no more jobs available for them since you moved over to the government side.

(1525)

What they know however is that after unemployment insurance comes welfare. That is the Liberals' real contribution to the economy. That is what is really happening in our ridings.

The federal government has shifted its responsibilities to the provinces. This transfer, this shameful process shows the laxity and inertia of the Liberals. Welfare, UI cuts, dead-end jobs, increased taxes for the middle class and empty rhetoric, of course, are the only results achieved by the red book government.

The finance minister's Bill C-17, a real post-budget grab bag, introduces amendments to the Unemployment Insurance Act. We find several changes completely unacceptable. The amendment of my colleague from Kamouraska—Rivière-du-Loup

concerning the change to the premium rate would make this rate change earlier.

We want to end as soon as possible a measure that hurts employment. Instead of waiting for January 1, 1995 to bring the rate back to \$3 per \$100, we want to bring it back to 3 per cent on June 1, 1994. The Liberals have not been very honest on this rate issue, since they themselves increased it from \$3 to \$3.07 on January 1, 1994.

Now they are acting like real comedians when they tell the public that they are correcting this rate which is too high, when they themselves just increased it. The process is not honest and the Liberals are making it worse by pretending that they will create 40,000 jobs by correcting this rate.

For one thing, if the government is so confident about the positive impact of a lower rate, why did it raise it on January 1, 1994, and why is it delaying the decrease until January 1, 1995?

Furthermore, this projection of 40,000 jobs is illusory or hypothetical, as it is based on the old schedule which would have seen the rate rise to \$3.30 on January 1, 1995. This lower rate simply eliminates a deterrent to job creation and, according to the minister's very debatable figures, reduces job losses.

As far as I know, reducing job losses is not the same as creating jobs. Maintaining jobs or stopping job losses keeps the unemployment rate from rising, while creating jobs lowers the unemployment rate, but for the Liberals, it is the same thing.

Their recipe for employment, which is in very poor taste, combines all the ingredients blindly, without measuring them and without discernment. Then they give the people their product and hope that they will just swallow it all.

Well, wake up. The people know very well what is going on every day. My constituents want real action and tangible results. The people of Laurentides want jobs. They are ready to train, retrain and upgrade themselves to acquire the skills needed to meet the needs of the labour markets.

The 30 per cent of my constituents who are unemployed, I repeat, 30 per cent, want to see the light at the end of the tunnel. They ask the government to put forward programs that will help them go back to work. Long-term employment that will give them some security. Not more small jobs lasting just a few weeks and created through programs designed only to ensure the required number of weeks to be eligible for UI benefits.

We are not getting anywhere with this system. The government only supports a vicious circle which workers cannot escape. It must change its approach to get better and more profitable results, both for workers and employers.

The new changes to the UI program make it harder to be eligible for benefits. In my riding, these changes will adversely affect a large number of workers who are simply not able to work the 12 weeks required, because of a regional economy based on tourism. This is their ticket to welfare. Nice job by the Liberal

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government. It never occurred to the decision makers opposite that some workers have all the trouble in the world to find work for the required weeks of insurable employment.

(1530)

The Liberals go even farther. They say: You work more but we give you less. Fewer weeks of benefits and those benefits are reduced. This translates into less money to spend and a declining purchasing power which, in turns, means that other workers are laid off, no jobs created, and the spiral continues.

The Liberals make cuts in the UI program without offering alternatives to workers. They do things the wrong way round. Their logic has nothing to do with common sense. This is worrisome and depressing for my constituents. It clearly shows that the Liberals are more interested in figures than in people.

Consequently, I ask the Liberals to support our amendment regarding the premium rate. If the Liberals are so sure of the positive effects of that drop, they have to support our position. However, it remains to be seen whether they have the courage and the will to do so. I have strong doubts about that.

[English]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to speak on Bill C-17, in particular those clauses relating to unemployment insurance.

Canadians have quite rightly been proud of the unemployment insurance benefits in this country. During the so-called free trade debate one of the grave concerns expressed by the New Democratic Party was the attempts that would follow the agreements to Americanize our unemployment insurance scheme among other issues such as health care.

What we see in the bill is not a true reform of legislation, not a true measure to build a system in Canada which really addresses the needs of the unemployed but rather regressive steps to attack the unemployed rather than to address the very serious question of unemployment.

During the discussions in the last session of Parliament on Bill C-21 brought in by the former Conservative government and Bill C-113, the Liberal opposition at that time was vehement in its opposition to the regressive measures in those two pieces of legislation. The clauses on unemployment insurance in Bill C-17 far exceed the regressive measures in those previous pieces of legislation which were decried loudly by members opposite when they were in opposition and now are being implemented with a vengeance in the bill.

Just to give one example, in 1989, 90 per cent of unemployed people were covered by unemployment insurance in this country. Just four short years later, after the Conservative government trashed the unemployment insurance scheme, only 65 per cent of unemployed workers are covered by unemployment insurance.

Let us be clear what we are talking about here. This is an insurance scheme. Under the previous regime, the government withdrew its funding and financial obligation for unemployment insurance. It is an insurance scheme by employers and employees. Insurance means you pay into a scheme and you are entitled to a benefit from that scheme.

I am truly shocked that the current Liberal government has chosen to bring forward a piece of legislation even worse than that brought in by the Conservative government. I am sure there is not a Canadian in this country who expected this government to be worse than the previous government. It is going some to say that it could actually accomplish that in the bill. That is exactly what it has done.

I want to give a few specific examples. First, Bill C-17 will introduce a means test to determine the level of rates. What is really concerning about the bill is that it hurts those in areas of high unemployment even more than those in areas with less unemployment. I cannot believe the provinces and territories are not screaming from one end of this country to the other because what this bill does as it has done in the past is simply transfer responsibility for supporting unemployed workers while they are looking for a job to the provinces and territories. Once again this is what the government is doing.

(1535)

The duration of benefits has been slashed across the country just at the time that long term unemployment becomes a problem. In the past we saw that the duration of unemployment for Canadians was much shorter than it now is. What is even more shocking is that at present only 59 per cent of Canadians have full time jobs in the country.

A report released this week called "The Outsiders" reports levels of poverty and unemployment not seen since the Depression.

On the one hand we have in our country an economic system in crisis. For far too many people this is not a recessionary period, this is a depression. On the other hand we have a Liberal government that says it is going to take a new way but has taken an even worse way than the previous government in attacking the unemployed.

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In the February budget 60 cents on every dollar in cuts was taken from the unemployed through job cuts and cuts to other social programs.

The second matter that is very concerning about this bill directly contrasts to the red book which we hear so much about. In the red book it was said: "The people are irritated with governments that do not consult or that disregard their views or try to conduct key parts of public business behind closed doors. A Liberal government will take a series of initiatives to restore confidence in the institution of government".

What has it done in this legislation? It is one of the biggest grabs of power by the government from Parliament that I have seen in the seven years I have been in this House of Commons. Under this legislation, particularly the pilot projects section, the power will rest solely with the government to determine the rules and the nature of those projects, not with Parliament.

The government has appropriated \$20 billion of taxpayers' money. It has said that it will not be all of the parties elected to Parliament that will help to decide how it develops this program. It is us, it is the government. That is exactly what makes people cynical about the majority kind of government we have and exactly contrary to the red book.

These regressive measures regarding unemployment insurance completely undermine any faith that might exist in the social policy review undertaken by the minister of human resources. The minister and the government on the one hand are saying they are really going to look at changes to the system. We in the New Democratic Party agree. We know the system does not function, that younger families are falling even faster into poverty and that the gap between the rich and poor is increasing. We agree with looking at this.

However, what has the government done? It said on the one hand that it is going to consult everybody. In the secret document leaked this week it said it is going to spend over a million dollars not to do but to promote social policy review. At the same time in a piece of omnibus legislation hidden away we see that this government is setting the very parameters of new social policy.

The minister of human resources must answer to Canadians. Where is the review when the ministry of finance under this bill has set the policy?

We have here a very hypocritical piece of legislation at least in terms of meeting the kind of rhetoric we heard both when the Liberals were in opposition and now with their commitment to consult Canadians.

All Canadians are concerned about the social service network and how we should deal with that, none more so than the New Democratic Party. Let me mention several things that could achieve some of the same objectives.

The government did not come in with a full employment policy.

(1540)

I hope it will support my private member's bill on full employment which will be up for discussion next month. If it had through a real plan reduced unemployment to about 9.5 per cent, the \$2.4 billion cutback that we saw in this year's budget could have been avoided.

If the government were to truly focus on a full employment program we would not need nor would we even be talking about changes to the unemployment insurance system. We have to get away from the myth that unemployment is free and that we can deal with unemployment if we just hit the unemployed a little harder.

The New Democratic Party is totally opposed to the measures that the government has brought in regarding unemployment insurance. They do not address the serious problems in our society. In fact they make them worse.

I do not believe that Canadians elected this government to make the lives of millions of Canadians worse. That is exactly what is being done in the bill. I hope that the provinces and territories will stand and counter as well the measures that are in the bill.

Unfortunately, the objective of slash and trash has become much more the watchword as we see reflected in the bill than real reform and a real concern for Canadians. The social and financial costs of unemployment are huge. We know that but we will not address those costs by making it more difficult or by trying to transfer the problem.

I have received thousands of letters, petitions and cards opposing these unemployment insurance changes. I agree with them because they do not deal with the substantive issue in society.

In conclusion I hope the government will re-read its own speeches on Bill C-21 and Bill C-113 where it opposed even less drastic measures than the ones it is now taking. Shame on you is what I have to say to the Liberal Party.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I welcome this opportunity to address the proposed amendments to the clause on unemployment insurance in Bill C-17. I would like to start by making it clear to Quebecers and Canadians that from the very beginning of the sub-committee's consideration of Bill C-17, during which I was the critic for the official opposition, the government tried to sneak through one of the major, if not the major reform of our social programs.

The proposals in the last budget, the first and last budget brought down by the Minister of Finance, provide for slashing \$5.5 billion from the unemployment insurance fund during the next three years. More than 50 per cent of these cuts will be felt by two particular regions, mainly the Maritimes, an area that is

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not known for its booming economy, and especially in recent years with the crisis in the fisheries, and another region that has been hit very hard, my country, Quebec, which will also absorb a major share of the cuts the federal government proposes to make in the unemployment insurance fund through the Liberal budget.

Next year alone, although the Maritimes represent 8.5 per cent of the population, they will be hit by 26 per cent of the cuts totalling \$21.4 billion which the federal government will make in the unemployment insurance fund. The government is going to take \$630 million out of the pockets of the unemployed in the Maritimes.

(1545)

As for Quebec, next year, the impact of these cuts will represent \$535 million or 31 per cent of the total for that year. Again, this government, and I see a few of its eminent representatives, will make these cuts at the expense of the unemployed, of the neediest in our society.

That is how this government treats the unemployed. That is how this government says it will create jobs. That is how this government treats people who do not deserve to be treated this way, since they already have to cope with the unemployment and under-employment that is widespread in Quebec, in the Maritimes and more or less across Canada. Should we be surprised that this is happening?

When, not so long ago, I heard the Prime Minister refer to the unemployed as people who were always drinking beer and say they should stop drinking beer and go out and look for a job, I said to myself: Now that is statesman like. That is a man with vision. And that from someone who on so many occasions waved the red book, saying: We are concerned about jobs. Now that is a kind of cynicism we have never seen before in Quebec or Canada: cynicism at the expense of the unemployed.

And when we consider that the present Prime Minister once represented the riding of Beauséjour in the Maritimes, and that normally if he did his job—which I sometimes doubt when I see him in his prime ministerial role—he ought to be aware of the economic situation in the Maritimes and the impact of the cuts he himself proposed as the leader of the government. He should know that these cuts will have a tremendous impact on all the Maritime communities already crushed by the demise of one of its most important industries, the fishing industry, and by other difficulties of industrial revival and redeployment or diversification.

Without the Bloc Québécois, without our hard work, the subcommittee responsible for studying Bill C-17, and in particular the part relating to unemployment insurance, would have sat only two and a half days. One day to hear department

officials explain the content of the report and a day and a half to hear witnesses. By being very persistent, we finally managed to obtain an extension of about two weeks. But even that was not enough, because this is the biggest reform of unemployment insurance since its creation. What I heard during those two weeks was, for example, the feeling of helplessness of the people from the Gaspé.

I was talking this morning with my colleague, the Bloc member for Gaspé, and he was telling me that in his riding the unemployment rate was at least 27 per cent. The increase in the number of weeks required to qualify for UI, from 10 to 12 weeks, will have an enormous impact on some people. My colleague was telling me that last month, only 42 per cent of the unemployed had been able to secure at least 10 weeks of work and were therefore eligible under the new rules introduced by this government. At 12 weeks even fewer people would have qualified. In these single-industry areas, where seasonal work is the norm, there are very few places where you can work more than 10 weeks.

(1550)

And I would tell you that, during the two and a half weeks of hearings of the sub-committee on Bill C-17, people from the Maritimes came to see us saying that the measures proposed in that bill would destabilize whole communities, would make most of the seasonal workers, fishermen already affected by the fisheries crisis, go from unemployment insurance to welfare and that welfare benefits would come out of the already scarce provincial funds, as we well know.

When I saw how offhand my Liberal colleagues were with the people of Newfoundland, New Brunswick and everywhere else in the maritimes, and particularly the people of the Acadian Peninsula, I could not help but find it revolting. These people presented arguments to us and to the government, saying that with these measures, the government was attacking them directly without offering any compensation like economic development measures, diversification of the economic base or programs to help them get back into the labour force. The government was attacking them and cutting their means of subsistence and it was saying: "Come what may, it is a case of make or break for these people".

I even saw, and I must admit I am still troubled and moved by that, members of this government who threw out people who had driven hundreds of kilometres because they could not afford to fly. They came from the Acadian Peninsula and from Newfoundland to shout and cry their hopelessness. And the members of the government did not even have the courage to listen to all they had to say; they just threw them out.

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One evening, there was one Bloc member, no Liberal member, no Reform member, and yet people had come all the way from Atlantic Canada to once again voice their grave concerns.

I was outraged by such a show of cynicism during the committee hearings. We can see this characteristic trait of the Liberals displayed in their attitude in general, and in the measures they are implementing. I can tell you that my constituents in the riding of Saint-Hyacinthe—Bagot, and the constituents of all my colleagues and probably of quite a few Liberal members opposite, have had just about enough of their cynicism, and their sarcasm regarding such fundamental things as human misery and suffering, which are considerable east of Manitoba.

I am particularly interested in one specific amendment aimed at deleting clause 28. The purpose of the amendment is to eliminate the proposed table of required number of weeks of insurable employment, and to go back to the initial provisions. In areas which are heavily dependant on resource industries, people have no other choice than to hope for some better times, and now they see that to be eligible for UI, they need 12 weeks of insurable employment, instead of 10.

What I have heard in the past three weeks has convinced me more than ever that it is important to treat people with respect. For instance, we were given statistics for Labrador, showing that up to 65 per cent of the people there, whole communities in fact, were without work at one time or another during the year, and that, of course, they would be hit very hard by this bill.

All I ask is a bit of compassion for these people. Let Parliament adopt the proposed amendments to the Unemployment Insurance Act and let the government implement measures for the diversification or the strengthening of our industrial base, and to facilitate the re-entry of unemployed workers into the labour force. These people need hope.

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am very pleased to speak to these motions and respond to the critic of the Bloc Québécois.

I am very pleased to see such a large audience here today. Sometimes we see the ironies of Canadian politics first hand. It gives us an opportunity to understand, and I do wish the member has the opportunity to listen to me here. Here is a man standing up right now who has been one of the great supporters of the UI program. What is the UI program?

(1555)

The UI program is one of the greatest contributors to national unity we have ever had. It does not matter what part of the country you live in. We have made rules; we have made exceptions; and we have reached out to make sure that no matter

what economy you are in or what part of the country you live in, you have an opportunity to participate in UI.

There is a party whose sole purpose is to come here and destroy our country, but what does it do? It ends up defending a program that benefits all Canadians. This is the hypocrisy which drives the government crazy. Yes, this is a very important program and, yes, people in Atlantic Canada deserve to be protected and deserve to be supported. These members have to realize that this is a national program which requires national participation. No program in the last 50 years has contributed more to the needy regions of our country than this legislation.

Part of the difficulty with the opposition is it repeats day by day misrepresentations of what happens in committees, which allows people to think what it says is really the truth.

Let me clarify the record of what happened in committee. When we began hearings there was not one particular group which had expressed an interest in talking on the bill. We had an agreement from this party that we would allow a week to see if groups came forward.

Suddenly, to use a colloquialism, to hot dog it for the press, they said: "we are cutting off the debate" when they had made an agreement that a week was sufficient. Suddenly the press shows up and the line changes in the cheapest of all forms of politics.

Second, several weeks were set aside for people to come forward. Not one group that asked to come forward has not been heard on the bill. There has not been one group that has not been spoken to and asked questions of.

The government has reached out to make sure that its program is understood and that when groups come forward, whether they are from the Gaspé or from Atlantic Canada or a group from downtown Toronto, which had really good ideas to reform and to improve on the system, they are responded to.

The government has been very proud of the way it approached a very complicated bill such as this and the way it set out hearings and gave an opportunity for everyone to speak who wished to speak on the bill.

[*Translation*]

Mr. André Caron (Jonquière): Mr. Speaker, I am pleased to take part in this debate on the proposed unemployment insurance reform. I have already criticized certain aspects of the proposed reform and today, I would like to draw the House's attention to one particular measure which would reduce UI premiums to \$3 as of January 1, 1995.

As everyone knows, the premium was increased to \$3.07 on January 1, 1994. In its budget, the government party stated the following:

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The UI measures proposed in the budget will enable the government to rollback the UI premium rate for 1995 to \$3. By the end of 1996 there will be 40,000 more jobs in the economy than could be expected if premiums were allowed to rise.

What is the government saying? It is saying that unemployment insurance premiums increased on January 1, 1994, that is while the current Liberal government was in office, and that this increase resulted in the loss of 9,000 jobs in Canada. Yet, the government did nothing to stop the increase from taking effect.

The premium rate was slated to increase to \$3.30 in 1996. The government is saying that if the rate increase were allowed, in view of the cost to employers, roughly 31,000 jobs would be lost. When we add 9,000 jobs and 31,000 jobs, we come up with a total of 40,000 jobs. And yet, in the budget, this is called creating 40,000 jobs.

I think this illustrates one typical way the current government has presented the facts in the last six months.

(1600)

The government floats some figures as to what might have happened had it not acted in a certain way. People are left with the impression that jobs have been created. The figure of 40,000 jobs is almost equivalent to the number of jobs announced in the infrastructure program of which the government is boasting of late.

In the meantime, what is the government doing for the jobless person in a region such as my own, the Saguenay-Lac-Saint-Jean region? It is a region in need of industrial development, a region, particularly my riding, where major industries, workers and the surrounding population once flourished. Large companies such as Alcan and Abitibi-Price paid their workers handsomely and brought obvious wealth to the region.

This glorious era is long gone. Large companies are converting their operations and rumours are flying in the region that employment levels will decline even further.

Alcan in Arvida and Abitibi-Price in Kénogami have reduced the workforce at their plants by at least one third in recent years. Unemployment is high in my region. People are hoping that governments will take adequate steps to ensure that wealth is generated and employment picks up.

What do we find in this Liberal government budget? A hypothetical measure which, had it been implemented, would have caused a number of jobs to be lost but, since the government is dropping it, fewer jobs will be lost.

And that is presented as a job creation measure! I would say that in the regions, people are worried, particularly in resource areas like mine, in which traditionally, heavy industry has developed natural resources and produced primary products.

What Alcan produces is primary aluminium for use abroad in the manufacturing of industrial goods. What the Abitibi-Price

plant in Kénogami produces is paper and paperboard for the export market. Our regions have come to depend on these industries and today jobs cuts have local residents concerned.

Some have lost their jobs while others live in fear of losing theirs. So, what does the government have to suggest in its budget to ensure some kind of a future for these people? First, it announces cuts to the unemployment insurance plan at a time when people need it the most and, second, it proposes no concrete measures to create jobs.

Instead, you find hypothetical measures like the one I am denouncing now. There is also the infrastructure program, but these are all measures that take time to implement and even so, I have noticed that certain municipalities take advantage of the infrastructure program to get the federal and provincial governments to pay for work they would have done anyway.

One can seriously doubt the job creation potential of such programs because, after all, part of this work would have been done anyway. Creating jobs, and creating new infrastructure for that matter, does not ensure that we will have a stronger financial base in the future. All this does is to make the federal and provincial governments foot the bill for work that would have been done anyway.

I am therefore amazed that a party which ran on a platform of jobs, jobs, jobs, produced this kind of budget.

The unemployed and, in my region, small business owners, people looking to market new products, those who want to continue to build our region which celebrated its 150th birthday just two or three years ago, are disappointed.

(1605)

Some of these people had expected a lot from this government. You will say that in the Saguenay-Lac-Saint-Jean region, the Bloc Québécois candidates captured perhaps around 65, 66 or even 75 per cent of the vote like my leader, Mr. Bouchard, in the riding of Lac-Saint-Jean.

You will say that a lot of people may not have believed in the illusions, in the nice promises of the Liberal Party, but there were still people who looked at the Liberal Party's platform and thought it contained a few measures that would have improved our economic situation.

These people may have voted for the party because of these promises and they now realize that nothing of the kind has been done after six months and a long development process. We are told that the Liberal government has been in office for only six months, except that the whole election platform development process had started a year or a year and a half earlier, so we can say that the Liberal Party platform has been around for a year and a half.

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A year and a half later, the people of my region who need new development programs to kick-start their economy see nothing in the government program that can meet their needs.

I think it is important to reduce UI premiums. They obviously place a heavy strain on employers. But if it was so important and if we should be so proud of it, why does this reduction not take effect on June 1, as proposed by my colleague from Kamouraska—Rivière-du-Loup?

Why must we wait another year to give hope to the people, to create jobs? Because if, as we are told, this measure had caused 9,000 job losses as of January 1, by cancelling it now we could assume that 9,000 jobs would be created. What is the Liberal government waiting for when it could be creating 9,000 jobs? It is waiting for January, for people to be even more desperate, for a number of people now on UI to go on welfare. Is that what the government is waiting for?

We see that deep down the government did not have a firm policy and that it has pursued the policy established by the previous Conservative government because this premium increase which took effect on January 1 had been planned by the Conservative Party.

In closing, I must point out that this new economic wind, this new hope for workers and the unemployed that had been raised by the Liberal Party of Canada in the last election campaign did not materialize. I will be happy to support the amendment of my colleague who wants the proposed UI premium to come into effect on June 1 so that jobs can be created as soon as possible.

[English]

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, I am glad the hon. member had only 10 minutes within which to misrepresent the bill and mislead the Canadian public.

Earlier one of the speakers from his party used the phrase “my country, Quebec”. I suggest if that is the case, he is in the wrong Chamber. If he wants to represent Quebec, Quebec is represented in the Senate. It is also represented by the premier of the province of Quebec. The hon. member only represents a riding in Quebec.

We are discussing Bill C-17. It deals with the unemployment insurance program which is a program for Canadians from coast to coast. We all contribute to this program to get the benefits.

Shortly after World War II, Winston Churchill was asked to make a distinction between communism and capitalism. He said: “If capitalism is the equal distribution of wealth, then communism is the equal distribution of misery”.

If Canada is not good enough for some members of the Bloc, if Canada is not good enough for them to share in the prosperity of this country then no doubt their opposing the bill guarantees the people in Quebec the equal distribution of misery.

(1610)

I ask my colleagues to support the bill because the bill is a job creation bill. In the last two months this government has created 115,000 jobs. This government is the only government to have 58 per cent popularity in Canada today. We have to continue with this progress until we get the maximum number of Canadians working again and bring the unemployment down, to the benefit of all Canadians.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, the previous speaker said that we did not necessarily represent Quebec or our ridings; I remind him that the mandate we received is to defend Quebec’s interests, as was stated very clearly. That is why Quebecers chose the Bloc Québécois, because the Liberal candidates did not represent the way of the future that they considered necessary.

Today, I rise to speak much more about the owners of small and medium-sized businesses in my riding who are looking for real straight-forward job creation measures. Rioux Fibreglass, for example, in Sainte-Françoise, MT Pressure Moulding, FF Soucy Prelco are small or medium-sized companies—in fact, the paper company is fairly large—that want simple programs. They want something so that they can contribute quickly to society by creating jobs.

The infrastructure program is a smoke screen. It is good politics, it is good for their image, it creates some jobs, we admit, but there are much clearer and simpler measures that unfortunately do not provide the political coverage which this government seeks and seems desperately to want.

My amendment is very simple: it would lower the employer’s contribution to UI to 3 per cent right away, instead of playing the government’s very Machiavellian game. They have created a new kind of job. Before, there were full-time, part-time and temporary jobs; now there are the jobs that they saved. They boast that they created 40,000 jobs because they saved them from disappearing.

I think that the message we must give Canadians and Quebecers now is one of confidence and the way to do that is with positive actions which tell industrialists that it is time to invest and go ahead, not contrary actions that restrict their economic commitment and keep them from playing the role that they should in creating jobs to restore prosperity.

This government prefers to give very ambiguous messages. While the government claims to want to create jobs, it decided that, in a region such as the Gaspé Peninsula, which has an unemployment rate of 27 per cent, workers will need three additional weeks to be eligible to UI benefits and will get these benefits for a shorter period. What a way to build confidence! The same bill tells civil servants, whose salaries are rather good, that things are so bad that the government must freeze their

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salaries and that they cannot be paid what they deserve. Another negative message.

It sounds very much like the old Conservative line. It sounds like what they used to say before Franklin Roosevelt became president of the United States, just after the Depression. Then, people were saying: "We have to cut spending. Let us cut as much as possible and, more importantly, let us not create jobs because this will happen by itself". The purpose of this amendment is to send a clear message to entrepreneurs, to give them some leeway as quickly as possible. This is particularly important in the case of an industry such as tourism.

There are many seasonal jobs in the summer. This is the time to send a message to put people back to work. With the savings they will make, employers can contribute more easily to the job creation effort.

(1615)

This is not merely a question of money and maths. There is also a psychological effect involved. In that regard, the current Liberal government missed the boat and this is why its budget satisfied so few Canadians.

Consequently, I ask members opposite, particularly those who live in the Maritimes and in regions where there are many seasonal workers, to support our amendment.

Imagine if, tomorrow, we were to send employers a message to the effect that it has dawned on the government that the simplest way to create employment was to allow small businesses to act quickly, without red tape, without additional paper burden, and without having to get approval from three levels of government to build a sidewalk. This would allow small entrepreneurs to directly invest the money they would save by not having to spend it on bureaucratic formalities.

I do hope that government members will understand that. After all, they were elected by promising "jobs, jobs, jobs". They should understand that when such political commitments are made but not fulfilled, it greatly undermines the credibility of politicians.

Last fall, Canadians elected a new government because they wanted one which would put the emphasis on job creation through concrete and realistic measures. Today, you have the opportunity to adopt one such measure with this amendment and I hope that you will do it.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, since my riding is Cumberland—Colchester in that great province of Nova Scotia, which is classified as a maritime province, and since the hon. member has just referred to us on several occasions I believe it is important that I express some of

the views that business in the maritime provinces has expressed to me on Bill C-17 and our budget.

In Nova Scotia we have some 90,000 small businesses employing fewer than 50 persons each. We have a population of just under 900,000. That is a one to nine ratio of small business to population. Those business people have said to me: "If we could only reduce payroll taxes, UI premiums, if we could only reduce worker's compensation and those things that impede taking on more employees, then we could take care of job creation". This is the message that small business has sent to me as a member of Parliament representing the maritime provinces.

I suggest that it is small business in the great province of Nova Scotia that will do more to create jobs. By doing our part by dealing with some of the payroll taxes we are doing the most to stimulate economic growth and jobs in the business sector.

[*Translation*]

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, this is the second time that I have the opportunity to take part in the debate on Bill C-17. It is vitally important for me, as a Quebecer, not to keep quiet about the major changes the government wants to make to the Unemployment Insurance Act.

These changes will particularly affect Eastern Canada, the Maritimes and Quebec. The Liberals are trying to play down the losses Quebec will incur by talking about job creation. It would be day-dreaming to think that the public will be fooled by that, because no jobs will actually be created by these changes. That is what I will try to demonstrate here, today.

Like all of Eastern Canada, Quebec will be hard hit by the increase in the number of weeks of insurable employment included in Bill C-17. Indeed, as I said previously, only the regions in Canada with a high level of unemployment will be affected by the changes to the number of weeks of insurable employment. That means six out of thirteen regions in Quebec, and seven out of thirteen regions in the Maritimes. Also, 95.6 per cent of UI claimants in Quebec will be directly affected by the changes to the number of insurable weeks needed to become eligible for UI benefits.

(1620)

The people of my riding will be directly affected by these new measures. We have received hundreds of letters asking me to intervene in order to prevent the unemployment insurance system from being changed that way. Those are protest letters coming from taxpayers who, as myself, cannot accept these major changes to unemployment insurance. It is on their behalf that I speak today and also that I oppose Bill C-17. It is for my constituents and also for all those of Quebec and Canada who will be targeted by the changes made to the Unemployment Insurance Act that I oppose that bill today.

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Mr. Robichaud: No problem.

Mr. Sauvageau: May I continue, Sir? I thank you very much for your indulgence and your attention; that is very nice.

Mr. Robichaud: I was answering your colleague.

The Acting Speaker (Mr. Kilger): Order. I can only listen to one speech at a time. I would ask the hon. member for Terrebonne to continue.

Mr. Sauvageau: Mr. Speaker, there are people for whom causing the loss of jobs or unemployment insurance benefits is not a major problem. But it is for us.

The impact on workers from eastern Canada and Quebec will then be considerable. Taking measures that penalize a specific region is dishonest and illogical. Those taxpayers pay taxes and contribute to the unemployment insurance system as much as other Canadian taxpayers. They give their share but do not get much in return.

Once again, the federal government's approach shows us the importance of acting quickly to put an end to these irregularities. A sovereign Quebec could very well administer its unemployment insurance system. The cuts, or even the savings that the federal government is trying to achieve show us how our federal system is totally absurd, with its duplication that is costing Quebecers and Canadians millions of dollars every year. The Liberals cut where it is most painful because unemployment insurance recipients will be the first victims of this economic chaos.

Let us have a look to the so-called jobs creation that is supposed to be generated by the premium reduction. At this point, the premium rate is \$3.07 per \$100 of income. The Liberals intend to reduce the premiums to \$3.00 on January 1, 1995. It should be reminded to Quebecers and Canadians that it is the Liberals who raised and voted in December the increase from \$3.00 to \$3.07.

The Liberals figure that the reduction next year will result in the creation of 40,000 new jobs in 1996. There is no need for a comprehensive financial analysis to understand that there will be no job creation and that we will only maintain existing jobs. These are two very different notions that the Liberals do not seem to understand.

Let us summarize in a simple way how unemployment insurance premiums went up and down. In 1993, they were at \$3.00 for every \$100 of income. In 1994, they were raised to \$3.07 per \$100. And they were supposed to reach \$3.30 per \$100 by 1995.

The new plan of the government is the following: \$3.00 per \$100 in 1993, \$3.07 in 1994 and down again \$3.00 in 1995. So we are back to the rate of 1993. Logically, as said Einstein, nothing is lost and nothing is created, but the Liberals do not understand that.

That is not the way the Liberals figure it. According to them, if the previous calculation formula had been kept, we would have lost 9,000 jobs in 1994 and 31,000 others in 1995.

By bringing the premiums back to \$3.00 in 1995, the Liberals figure that 9,000 jobs will be saved in 1994 and 35,000 more in 1995, for a total of 40,000 jobs created. This is totally false. As was said previously, a simple calculation gives a grand total of zero. As a matter of fact, the increase decided by the Liberals for the current year has brought a loss of 9,000 jobs. If premiums get back to their 1993 rate of \$3.00, we will only recover 9,000 jobs. Quite a number! Therefore, we are not talking here about 40,000 new jobs but about 31,000 jobs protected for 1995 and 9,000 others lost the previous year but recovered.

(1625)

We should not try to mislead the public with such a vain promise. People are not so easily tricked any more. We must stop offering them empty shells and address the real problems. It is true that unemployment is a serious problem in Quebec and in Canada and we must not pretend we can solve it so easily.

The government must stop believing it can be the sole source of job creation. As we said before, small and medium-sized businesses are and will remain the main source of job creation and we could reduce the unemployment rate, for example, by increasing government assistance to those employers. Everybody is eagerly awaiting the recovery but unfortunately it is a long time coming.

Through its actions, the government must show a real will to fight down the economic difficulties that people of Quebec and Canada have been facing for too many years already. The trust they put in their leaders is not unconditional and we must show our constituents that the government really wants to get the country out of this economic abyss in which it is sinking and this is not what it is doing.

They must stop making empty promises and developing legislations which have negative financial impacts on the public. They must instead show they really want to get out of this economic impasse.

You might say that we criticize without proposing any solutions. Not so. My colleague from Kamouraska—Rivière-du-Loup has proposed amendments to Bill C-17 which could help reduce job losses.

For example, why not lower the contribution to \$3 per \$100 starting June 1, 1994, instead of waiting until January 1, 1995? This would mean 9,000 jobs, about 9,000 families who would not have to wait another six months. Can we afford 9,000 more unemployed? Certainly not. Do you not think that workers would prefer a salary rather than unemployment insurance payments, also reduced by Bill C-17 I might add?

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To conclude, we are faced with a bill which is unacceptable for a large portion of voters. We should stop trying to make people believe that they have something to gain, where there is in fact nothing to gain. The people will not be fooled again by the government. What they want is a real economic recovery, they want real jobs. Let us proceed towards the economic upturn that the population of my riding and Quebec has been expecting for too long now.

[*English*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I was not going to participate in the debate but this morning I heard remarks by the hon. member for Saint-Hyacinthe—Bagot and I could not resist the temptation to step in because of course what he said was an attempt to create a monster. He wanted to pretend that the government was a big bully boy, doing a bad thing in ramming the bill through the House.

I thought it was useful to clarify the position so that the statements made by the hon. member for Saint-Hyacinthe—Bagot, which were patently false, can be exposed for what they are. He knows that there have been no bullying tactics by the government on the bill. He tried to suggest the government was railroading this particular bill through the House.

As parliamentary secretary to the House leader, who has been more than fair in his dealings in all matters in respect of House business, I felt that the record should be clarified. I want to do that.

I cannot imagine where the hon. member for Saint-Hyacinthe—Bagot got his ideas, but I can only suspect that he went through *Hansard* for the last few years and read speeches by the Liberal opposition in the last Parliament.

We were faced with a government that was using bully boy tactics all the time. It used closure a record number of times and time allocation a record number of times. He must have read our speeches, the only thing I can conclude, and decided he would make the same kind of speech himself at report stage of the bill because after all it is a budget bill.

The last government used closure on almost every budget bill that it introduced. We have not used closure on the bill. I want to state that for the record. There has been no time allocation on the bill. The hon. member for Saint-Hyacinthe—Bagot has been given ample opportunity to express his views and he knows it. He tried to suggest otherwise this morning. That is why I am rising this afternoon: to correct the record.

(1630)

Let us look at what happened and let us not bother looking back at the old Liberal speeches in the last House. Let us look at the record that has gone on in Parliament in respect of the bill.

The bill was introduced on March 16 and was called for second reading on March 25. Therefore nine days had elapsed between first and second reading. At second reading there was ample opportunity for members on all sides to read the bill and become familiar with its terms and indeed also for members of the public to obtain copies and become familiar with the terms of the bill.

The bill was called for second reading on March 25. There were a number of speakers that day. It was called again on April 11 and there were a number of speakers on that day as well. There were a number of speakers again on April 14. It was called again on April 15, when the bill was given second reading after the speeches ran out. There were no more speakers; speeches ran out on April 15.

Seventy-one speakers participated in the debate. Some members spoke twice. I for one spoke twice. There was ample opportunity again for the hon. member for Saint-Hyacinthe—Bagot and all his colleagues to make speeches on second reading of the bill. Second reading occurred on April 15 and the bill was referred to the Standing Committee on Finance at that time.

This morning the hon. member for Saint-Hyacinthe—Bagot suggested it was rammed through the committee in a week. It was referred to the committee on April 19—I do not know why my record is different from the last day of debate on the 15th—but it was referred at the latest by April 19 and it just came back from the committee yesterday.

Where is this week the hon. member speaks of? That sounds to me like a lot more than a week. Yesterday was May 25 and the bill went to committee on April 19. Where is the week in here? That sounds like five weeks. What happened in this case was the hon. member for Saint-Hyacinthe—Bagot suddenly discovered there was some opposition to the bill and he had better oppose it because he had done nothing of any significance up to that time to oppose the bill.

When the bill was in committee he discovered there were some opponents to it, so what did he do? He ran back to the *Hansard* for the last Parliament and pulled out the speeches saying: "What do I do now?" He read all the precedents and said that the first thing to do was to attack the government and make it look like a bully boy.

In committee he tried to make it appear the government was a bully. He tried in the House in his speech this morning to make it appear the government was a bully. If he made it appear as though the government was a bully then maybe people would think the government was doing something wrong.

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The government is not doing anything wrong. This is a normal budget bill. It was introduced in the House with notice in the budget. The minister said what the bill was going to contain. It was introduced in the House on March 16 after the budget. It has been debated extensively in the House since that time. There have been 71 speakers on the bill at second reading stage. There were extended committee hearings and there was opportunity for five weeks of hearings.

The hon. member for Saint-Hyacinthe—Bagot obviously took his time in the committee. He had ample opportunity to consider the bill in committee and this morning he had the nerve to stand in this House and rant and rave, whine and whimper a lot of stuff and nonsense about the government being a bully and ramming this bill through the House. Nothing could be further from the truth.

We have not heard a peep about that kind of tactic from the Reform Party because it knows better. It knows the government has behaved with perfect propriety in this matter. It knows the government has dealt honourably with the opposition in giving ample opportunity for debate at all stages of the bill.

We agreed by all-party agreement to limit debate to two days at report stage and one day at third reading. It was all-party agreement, but it is a good agreement. It is a reasonable time to debate the bill. Therefore we have all day today and all day Monday. They are long days.

At the request of the opposition, we deliberately selected long days for the debate on the bill. Instead of having it on a Friday we put it on a Monday so there would be a long debate. At report stage everyone is limited to 10-minute speeches anyway so there is plenty of time for members to express their views. There is no bullying here. This is a fair and sensible arrangement in respect of the bill.

Ample opportunity was granted at second reading. Ample opportunity was given to the Standing Committee on Finance and its subcommittee which considered the bill to review the bill.

I know the hon. Parliamentary Secretary to the Minister of Finance spent endless hours listening to complaints and whining from the hon. member for Saint-Hyacinthe—Bagot because he decided he had to oppose the bill late in the process. He has shown great patience in enduring hours of argument. I know members of the Reform Party have been subjected to the same kind of treatment, but we have all survived that.

(1635)

Why continue the whining today in the House? Why not acknowledge that the hon. member for Saint-Hyacinthe—Bagot has made a good arrangement. He has had ample opportunity to express his opposition. Certainly he objects to the bill; he has reservations about it. I was in opposition once. I used to make speeches of the kind he made, but I had some reason for it.

Mrs. Brushett: You did not whine.

Mr. Milliken: I had some reason for it and of course I did not whine.

[*Translation*]

Mr. Leblanc: Mr. Speaker, the parliamentary secretary has been speaking for the last five minutes about the way we deal with speeches, about the way we treated the people who came before the committee of the House of Commons.

He did not address the real issue, which is Bill C-17. I think he is wasting our time. He says that we are wasting our time, but in fact he is the one who is wasting our time.

The Acting Speaker (Mr. Kilger): Order, please! It is not really a point of order. It is rather a matter of debate.

To conclude his remarks, the Parliamentary Secretary.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am almost finished, anyway.

[*English*]

I am glad the hon. member is paying close attention to what I have to say.

I wanted to say that the Parliamentary Secretary to the Minister of Finance has been an exemplar of patience in his dealings on the bill. I know he has put up with a great deal. I know he has bent every nerve and every muscle to assist opposition members so that they have full opportunity to debate the bill in the House and in committee. That opportunity has been granted. This government is not using bully boy tactics to get the bill through the House.

I can appreciate the hon. member has disagreement with parts of the bill. I recognize that in government sometimes tough decisions have to be made. However I respect the Minister of Finance for the decisions he has chosen to make in this case.

I believe it was the hon. member for Terrebonne who suggested it was somehow improper for the Minister of Finance to make the changes he did and he could have reduced the rate of contribution to the unemployment insurance fund on January 1 this year instead of next year. Yes, he could have. However, for financially and fiscally prudent reasons the minister chose not to do that. He chose to do it next year and I respect his decision in that regard.

Frankly, the reception the minister has received from the Canadian press and the media and indeed from the business community generally has been very positive for this budget. This is notwithstanding the cries from the Reform Party that deficit slashing did not go far enough and notwithstanding the cries from Bloc Quebecois members along the same lines. They have also complained about the lack of deficit reduction.

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I see my time is running out. I could go on at length on this bill. I appreciate the opportunity to address my remarks and to explain the government's tactics in respect of this legislation.

[*Translation*]

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, the federal government introduces today its Bill C-17 resulting from the budget that the Minister of Finance tabled in this House a few weeks ago.

The measures respecting unemployment insurance which are contained in that bill have two purposes. First, the minister wants to get the national treasury back on a sound financial footing by taking the money out of the pockets of most unemployed in Canada. Second, he is trying to give us the illusion that this bill contains fair measures for those who have lost their jobs.

The minister must have performed numerous legislative contortions in order to meet the two targets he had set himself. You will recognize, Mr. Speaker, that Bill C-17, as most of the initiatives that this government has introduced in this House since the beginning of its mandate, lacks cohesion and consistency, which is the least one can say.

The Liberals have always bragged about being the ones who had introduced social programs in Canada and who have really promoted them.

(1640)

How many times during the last campaign have we heard them speak about the importance of preserving the integrity of these programs? God knows that they rent their clothes in public, when they were in the opposition! At that time, nothing seemed more important than our social programs. Every single time that the Conservatives dared propose any minor amendment to the Unemployment Insurance Act, the Liberals were quick to once again defend the Canadian social safety net.

The current Prime Minister of Canada was seeing himself as the Canadian Robin Hood, great protector of widows and orphans, always ready to come to the rescue of the poorest of the poor. At the time, he kept stressing the importance for Canada to clearly distinguish itself from the United States and kept saying that the best way to do so was to maintain the quality of the social programs provided to Canadians. The unemployment insurance seemed then to be on the list of programs sacred to our friend Robin.

But the noble philosophy of our Liberal companions seems to have changed dramatically since they came to office. It appears that the new Minister of Finance had no difficulty in taking over

the role of the Sheriff of Nottingham which I must admit, seems to be made for him.

As insensitive and ruthless as the famous character of the legend, not only has he continued to grossly overtax Canadians, he has also decided to attack without mercy the most vulnerable among us: the elderly and the unemployed.

With bill C-17, the rate of UI benefits drops from 57 to 55 per cent of insurable income.

The very first goal that the Minister of Finance had set for himself when he tabled the budget has been achieved. We will save money on the backs of the unemployed and the deficit will be partly paid by those who are basically victims of the federal government's mismanagement of public funds.

It is certainly not by choice that some find themselves in the difficult situation of the unemployed. The problem is rooted in the federal employment policies of the last 30 years. The lack of any long term vision in areas like job training is the only factor responsible for the precariousness of employment.

The minister's second goal was to create the illusion that his proposed measures were equitable and progressive. So, he decided to provide relief to 15 per cent of those affected by his bill. Thus, he is increasing the benefit rate of low-income unemployed with dependents from 57 to 60 per cent. As if Canadians were too stupid to realize that the government is taking away millions of dollars from the unemployed only to give hand-outs to a select few. The relief promised by the minister is only an illusion and we did not buy it this time. Canadians, and especially Quebecers, are no longer fooled.

Last year, the Prime Minister kept repeating that Canadians were lucky because they could benefit from social programs. He kept saying how envious Americans were of our social security system. Perhaps he should be reminded that, in several American States, unemployment insurance benefits are approximately 50 per cent of average insurable earnings. By cutting the rate from 57 to 55 per cent for most claimants, the Liberals are doing precisely what they always said the Conservatives were doing: bringing our standard of living more and more in line with that of the Americans. There is really nothing to brag about, Mr. Speaker.

(1645)

The situation here is becoming dangerously similar to that in the United States and the Liberals have done nothing about it since they came into office. Bill C-17 is but one example among many of the lack of respect this government has for the people. Our national Robin Hood has lost a lot of his prestige since being put in charge of the Canadian Sherwood Forest.

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Indeed, up to now, the Liberals have reneged on so many of their election promises and taken so many measures that contradict their traditional philosophy that Canadians and Quebecers came to see the government as a very little Little John.

[English]

The Acting Speaker (Mr. Kilger): Before resuming debate, it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Yukon—Trade; the hon. member for London—Middlesex—Food labelling; the hon. member for Vancouver Quadra—Pacific salmon treaty.

[Translation]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, I am glad to speak to this bill and I would like to ask some questions in this House. For example, what is an unemployed person?

In my riding of Matapédia—Matane, an unemployed person is someone who does not want to be unemployed. It is someone who wants to work. I find that the Liberal infrastructure program is a joke, because it does not provide work in our area, or so little.

In my riding, we decided to seek out our own solutions. We made incredible efforts, but we still have many unemployed persons who are receiving UI benefits. It is not because they want to receive benefits. It is because they are forced to be unemployed, and I will tell you why. We live far away from large centres, like Quebec City, Montreal and of course Toronto. A lot of things are going to Toronto.

In my riding, it is very hard to organize further processing, which means that everything we produce materially, physically, goes outside the region. So economic activity is of course very seasonal. People would love to have second or third stage processing. We have been asking for it forever, but we are told that since transportation is so costly, we cannot have second or third stage processing.

In our area, we have wood. Last year, we were declared forestry capital of Canada. It was marvellous. But when it comes to the second or third stage of processing—such as lobster traps or snow fences—we cannot even do that in our region. You want to know why? Because transportation costs are too high. It means that we have to ship the whole lot to be processed outside. But people want to work.

(1650)

Do you know what we have done in my area? We decided to band together and set up what we called Operation Dignity. It involved people who took matters into their own hands, who did incredible things, investing all their energy and even their money to achieve something. With the first Operation Dignity,

we managed to create a few jobs, but it was not enough. So, what did we do? We formed grassroots movements, marched in the streets, rattled the governments a little and finally got certain things. It was not much, though. To create a few jobs we had to expend a lot of energy.

And now what is the Liberal government proposing to do? People in my riding have tried very hard, setting up development corporations where owners would get together to create jobs. They would share their woodlots, telling others to come and work on their woodlots, which they did. It worked, but now we are wondering if this will continue, if they will be generous enough—you must invest in forestry—if they will give us our fair share, a share we can claim as our own with great dignity. We are not even sure if the Canada–Quebec program, the federal–provincial agreements will be renewed.

For us, they mean employment, but we cannot even be sure that the program will be renewed in the east. For people living in Montreal, Toronto or Vancouver, an increase of two weeks—from 10 to 12 weeks—in the qualifying period may not be too significant, but for those living in our region, two weeks can be an incredibly long period of time. Winters in our part of the country are long. When I left Matapédia and reached Montmagny, the trees were just starting to bud. Here, the Tulip Festival is under way, when back home, the tulips are not yet in bloom. The natural resources committee was planning to cancel, if it has not already done so, its scheduled visit to my riding, supposedly because the logging roads were still snow-covered. That is not quite true and I was rather angry that they would consider cancelling their visit, ostensibly for this reason.

The season is quite short in our region. And when this is the case, one or two weeks can make a big difference as far as unemployment is concerned. It could mean ten additional weeks of benefits. That is what is absurd. Everyone says that Canada is a vast, beautiful country. However, I find it quite sad that disparities exist. One another point we need to consider is that each region is unique. Companies have come and created jobs. In the forestry sector, the federal–provincial agreement is based on a 50/50 arrangement.

(1655)

And now, it seems we are not sure if we are going to renew this agreement, the Eastern Development Plan, for another five years. What does that mean? It means that we are constantly living in a state of uncertainty.

The situation is terrible at home. Elsewhere in Canada, it may not be so bad, but I am talking about the area I know best, and I can tell you that the situation back home is terrible. Can the members opposite realize that going from 10 to 12 weeks, to use only that example, can have more serious consequences in my area than elsewhere in the country?

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Things are even worse in the Magdalen Islands. The fishermen have a highly seasonal job and work only for six to seven weeks. Sometimes, for ten weeks maximum. In their case, however much we try, whatever we come up with, if we cannot keep them working for a bit longer, what do we do?

If people cannot work for 12 weeks in the Magdalen Islands, what are they going to do? They will have to rely on income security. In other words, the federal government is transferring the problem to the provinces and having them pay for it all. Is that what equalization is all about? I really wonder, I hope not.

Back home, if we go from 57 per cent to 55 per cent, it is almost a tragedy. If people took to the streets for Operation Rural Dignity and for the Ralliement populaire, what are they going to do now?

I do not advocate violence at any time. I want the people to stay calm, but I know tension is high and I hope that members opposite will understand that, in some areas in Canada and in Quebec, something needs to be done, if not, I do not know what will happen. When there is no food on the table, what is left for you to do? What is next?

Patience, of course. You can always try to create your own job, of course. But maybe there is something else that can be done, something for the members opposite to do.

Mr. Antoine Dubé (Lévis): Mr. Speaker, I also would like to support the amendments by my colleague for Kamouraska—Rivière-du-Loup dealing with the premium increases. Of course, he wants to come back to the previous level of premiums for the workers as well as for the businesses.

I also support the amendments by my colleague for Mercier, who is afraid that the Minister of Human Resources Development will use the Unemployment Insurance Bill to increase his power over regions where pilot projects will be implemented.

That is why she suggests that these amendments or clauses be at least approved by a resolution of the House of Commons. There is also the amendment by my colleague for Saint-Hyacinthe, who naturally proposes to delete clause 28. For the benefit of our audience, clause 28 has to do with the number of weeks one will now have to work to be eligible for unemployment insurance benefits.

(1700)

I want to remind members that this bill reduces the benefit period, increases the qualifying period and reduces the benefits from 57 to 55 per cent of the claimant's average weekly insurable earnings.

The role of a member of Parliament is to represent the opinion of his or her constituents, among other things. Like my colleague from Matapédia, I met with many people over the last few months and I will use the testimony of those people who

came to my constituency office in the riding of Lévis to tell me why they were opposed to these cuts in the unemployment insurance program. They are very significant cuts, \$1.3 billion a year. That is \$300 million more than the infrastructure project that the government intends to implement in cooperation with the municipalities and the provincial governments. By the way, if there is a level of government for which this job creation program will be less costly, it is the federal government since it will be able to recoup part of its investment through income tax and GST revenues.

But I do not want to stray away from the subject, which is unemployment insurance. So, \$1.3 billion in cuts is very significant. What are my constituents telling me? First of all, I will tell you about an important group, the workers of MIL Davie. Some members opposite are smiling, but I can assure you that there is no reason to smile. The members opposite should listen instead of smiling. They do not bother to listen and they keep laughing when we deal with the plight of hundreds of workers at MIL Davie. The workforce there was 3,000 strong last year, but the number of workers is down to only 1,200 now and should drop to a mere 700 or 800 in the coming weeks. The very survival of the MIL Davie shipyard is in jeopardy. Why? Because, among other things, the Minister of Industry, as he confirmed today, does not intend to implement new programs to help military industries convert to civil production.

The government turns a deaf ear to MIL Davie concerning the Magdalen Islands ferry. It turns a deaf ear concerning the smart ship too, when it could help this industry which gave jobs to 3,000 workers last year. When the Liberal Party was writing and publicizing its red book, there were 3,000 workers there when the Prime Minister came to meet them one week before the end of the election campaign. He told them he would look after the shipyard. What did he do? Nothing. In that same campaign, the present Prime Minister said during the leaders' debate that he did not intend to cut social programs. What does he do now? Through Bill C-17, he slashes \$1.3 billion in the unemployment insurance program. So much for the MIL Davie workers.

Construction workers also fell on hard times; they are still going through hard times. They experience seasonal unemployment. They came to my riding office, and to those of all members in my area, including that of the Prime Minister, to tell him that this situation is intolerable.

(1705)

The situation is problematic in the construction industry. Some degree of security is required. Unemployment insurance provided that security. Now it is being cut. At the time, jobs were created through the job development program which was funded in part by UI funds. Hundreds of organizations in Quebec and Canada are waiting for an answer from the government in

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the form of job development programs. Months have gone by and they are still waiting.

You know, not all the blame lays with this government. Just before the election, the previous government had emptied the tills of the job development program and incurred commitments that carried over into the current fiscal year. What does this government do? It announces a social program reform sometimes used to cover up a certain lack of decisiveness, but pilot projects are supposedly essential. As far as youth programs are concerned, I am the youth spokesman and young people have told me how precarious their situation is in Quebec, with 19 per cent of workers between the ages of 20 and 24 out of a job. That is 19 per cent. In Canada, 400,000 young people are unemployed and, during that time, the government introduces bills to tell them to study longer at the price of getting further into debt. UI benefit rates are reduced while the qualifying period is extended. At some point, young people who got jobs best described as menial, sometimes a combination of part-time jobs found here and there, find themselves incapable of meeting the UI entrance requirement. What are they facing then? Welfare.

What are they offering? The Youth Service Corps. After starting at \$61 a week in the fall, 2,500 young Canadians will see their weekly salary rise to \$150. They then dare to cut unemployment insurance.

When this government was in opposition, they fought with the former Minister of Employment whom I can name, Mr. Valcourt—

An hon. member: He was incompetent.

Mr. Dubé: Yes, he was incompetent but you are doing what he did and worse. You are following in the previous government's footsteps. You continue to reduce the number of weeks of benefits while you increase, let rise or implement the planned premium hikes.

Mr. Robichaud: You are shouting.

Mr. Dubé: Yes, I am shouting, sir, because the situation is troubling and tragic. This is no time to laugh while there are hundreds of thousands of unemployed people who are now listening to us and who are suffering. That is what we hear from the people in our ridings.

The Acting Speaker (Mr. Kilger): Order! I understand that this is a very important subject, which leads to a lively debate. All the same, I would like to give the floor for the few minutes that remain to the hon. member for Lévis.

Mr. Dubé: Mr. Speaker, I not only seem indignant, I am indignant about the insensitivity now being shown to the poorest people in our society. These are not people who go to cocktails or to social activities to which members of Parliament are

invited and which I attend as little as possible but only when I believe it is useful for making representations.

Meanwhile, these people's purchasing power is declining. It is not a trivial thing. Purchasing power to do what? To pay rent, buy food, get what their children need to go to school. Every day in my riding, my region, the Quebec City region, the Lower Town of Quebec, I see people who did not go and have a good time on the weekend, hundreds of families that sometimes are on their last week before they go on welfare. They are worried about what they will eat. We should not laugh. We must act. I think that when the government wanted to reform social programs, it should have sent another message, one of hope, not a message of lower spending on social programs, but a plan for work—

(1710)

An hon. member: Jobs, jobs, jobs!

Mr. Dubé: But we are still waiting for your jobs!

Mr. Speaker, I will not let myself be provoked by that. I will calm down and ask this government, while it is still time, to make C-17 consistent with the positions it took when it was in opposition and to be sensitive also to what thousands of workers did on May 1 in various large cities in this country.

[*English*]

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, as I have only just begun to prepare this speech, I will rely on you to stop me if I run over my time.

While Bill C-17 contains parts which are acceptable to me, I would have preferred that the government had introduced separate bills for each act for which it is suggesting changes. In particular, I would have preferred the changes to the Unemployment Insurance Act to be a separate bill.

As we know the government's budget proposed changes to the unemployment insurance program. We support the direction of the changes, the reduction in benefits, the increases in the qualifying period and the reduction in the employer premiums. However we in the Reform Party feel that the government did not go far enough.

The proposed changes or amendments could have gone much further. This is a good time to state that the Reform Party supports the return of unemployment insurance to its original function, an employer-employee funded and administered program to provide temporary income in the event of unexpected job loss.

Is that not the purpose of such a program? Should it not be a self-sustainable program? Is it supposed to serve a purpose? Yes, it is supposed to serve a purpose; unexpected job loss, unplanned job loss. Yet in Canada we have seasonal workers who go on unemployment every year like clock work.

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If the Canadian economy were flush, if it were abundant in a surplus of tax dollars unused and needing or waiting for a recipient, okay, great. Then perhaps we could understand this abuse of our tax dollars. We all know that the premiums paid through the unemployment insurance plan do not even begin to cover the cost of our current program.

However the program is not working as it was set out to work, as a sincere and caring effort to help those in need who through perhaps no fault of their own were suddenly without a job and therefore income. Those people pay into the unemployment insurance plan in good faith, hoping it is there for them if they ever need it.

The unemployment insurance act was first passed in 1940 and has been amended many times. When it began in 1941 UI was limited to full time wage earners. Part time workers as well as salaried employees with high pay and good job security were excluded. The subsequent history of the plan has been its step by step expansion to include high risk seasonal workers as well as low risk workers, civil servants and teachers. About 90 per cent of Canadian workers are now included although MPs and senators have not chosen to include themselves, yet.

Particularly noteworthy were the reforms undertaken by the Liberal government in 1971 when Bryce Mackasey was the responsible minister. Mr. Mackasey made UI much more generous and introduced regionally extended and maternity benefits.

Subsequent studies and reforms have tried to undo the damage but progress has been limited. The Conservative government appointed the Forget commission in 1985 but did not have the courage to act upon its excellent report. The changes made by the Tories in 1990, higher contributions, stiffer conditions for eligibility and directing some benefits to job training were in the right direction but far from sufficient.

How should unemployment insurance be reformed?

(1715)

Decades of politically inspired manipulation have produced grave defects in the Canadian unemployment insurance program and system. It is discriminatory. The combination of regional entrance requirements and regionally extended benefits means that claimants are treated more generously in regions of the country where the unemployment rate is higher.

The result is unfair inequality between individuals. Simply by living in a certain place, one person may be entitled to far greater UI benefits than another even though both have contributed equally to the plan.

It increases unemployment. After the Liberals reformed UI in 1971, the Canadian plan became the most generous in the world. Overly generous benefits create what economists call induced

unemployment. In plain English, people are tempted to slow down their job search to take maximum advantage of their benefits.

It creates despondency and dependency, for one certainly brings on the other. When one can work 10 weeks and collect UI benefits for 40 weeks there is little incentive to switch to a more stable employment. Extending UI to fishermen and other seasonal workers has had the perverse effect of encouraging workers to remain in declining industries. It has become an inefficient income support plan rather than social insurance.

Politicians have loaded so many special features on to the UI, regional preference, coverage of seasonal workers, benefits for pregnancy, child birth and adoption and so on, that the original purpose of providing temporary income in case of unforeseeable and unintentional job loss has been lost.

These and other problems of UI have been pointed out in several studies, most notably the one I have just mentioned, the Forget commission appointed by the Conservatives in 1985 when they first came to power. The Conservatives lacked the courage to do what all impartial students of UI agree needs to be done; namely, reform the system so that it treats people equally, bring benefits into line with those paid in other countries and stop using UI to subsidize seasonal industries. Rather, stand up to the entrenched special interests.

The Tories conveniently decided to forget Forget. The Reform policy, in contrast, is to make UI a sensible, sustainable program of social insurance. As with all social programs, reform will be undertaken prudently with due regard to the expectations that people have been led to develop. It would be desirable to phase in reform of UI at a high point of the business cycle when unemployment is relatively low.

To finish and sum up, the Reform Party will return unemployment insurance to its original and basically sound purpose of providing temporary income in case of unexpected job loss.

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, earlier, you said this was a very important debate. I think you are absolutely right.

Just now I listened to the parliamentary secretary who said that since March 15, there had been very extensive debates during which people had plenty of time to express their views. He is right. There was a lot of debate and a lot of consultation in committee. This went on for a long time. We heard testimony from business and the unemployed. The committee even travelled across Canada to hear people's views. The government, however, failed to act on what it heard. And that is what is so unfortunate.

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Today, we are told there was a lot of consultation, a lot of debate. Of course there was, but this afternoon they were saying there had been more than enough debate and that we had to vote on this bill as soon as possible. That is not playing fair. It is unfair and misleading to tell the public that there was a lot of consultation. Oh, yes, there was, but no one was listening. Recommendations were ignored, and that is the problem.

To Quebecers, these measures are quite a shock.

(1720)

We have an unemployment rate of 12.6 per cent, while the Canadian average is 11 per cent. This means that there are 1.6 per cent more unemployed than in the rest of Canada.

It means we have more unemployment, and reducing the number of benefit weeks means reducing the amount of money the federal government invests in Quebec. This means it will be up to Quebec to support people when their unemployment insurance runs out, and Quebec will spend millions of dollars more as a result of this measure.

And that is also why we are in no hurry to pass a bill which has such a negative impact on Quebec. And another good reason is that the government keeps bragging about creating jobs, saying that if it creates jobs there will be less unemployment and that would solve part of the problem.

Unfortunately, so far, since it came into office, this government has not taken any action to indicate that it will reduce unemployment. It started by raising unemployment insurance premiums, since we are talking about unemployment today, and these premiums will cost companies and individuals about \$800 million.

This means taking \$800 million out of the pockets of consumers. It means people will have \$800 million less to spend. If this is supposed to create jobs, the government is really out to lunch. It says it will inject about the same amount into its infrastructures program.

Infrastructures will be a three-year project, while unemployment insurance will be around for much longer. Which means that absolutely nothing has been accomplished. The number of jobs created by the infrastructures program will have zero impact as a result of the increase in unemployment insurance premiums.

Neither infrastructures nor unemployment insurance reform will in the end create more jobs. The government also intends to raise personal income tax by \$1.5 billion over the next three years and will do the same in the case of corporate taxes. Altogether this means \$3 billion, at a rate of \$1 billion annually. One billion dollars in corporate and personal tax increases.

Here again, consumers will have \$1 billion less to spend. And of course, most of this money will be used to pay interest to

American, Japanese or European lenders. It will not be used to create jobs. It will not be used in Canada. This money will leave the country.

If the government expects to create jobs with the timid measures it has put in place, it is in for a surprise. There will definitely be no jobs created as a result of these measures.

If any jobs are created, they will be generated by small businesses which innovate and thus create jobs. So basically, the government has no long term vision.

The government is taking stopgap measures. Instead of resurfacing the entire road, it is merely filling up the potholes. It does the trick for a while, but it is lacking any real long-term vision.

These are merely bandaid solutions. They stop the bleeding momentarily, but do not attack the root of the problem. There are, of course, other well-known and obvious solutions to these fundamental problems, but the government continues to ignore them. It has its reasons, reasons with which the Bloc Québécois disagrees.

The first reason is that the government is being told to be a centralizing government. It keeps on trying to take over manpower, health and education, whereas these fields come under provincial jurisdiction. Duplication is an extremely costly phenomenon. It is costly not only in dollar terms, but in terms of inefficiency. There is considerable lack of cohesion between the projects, programs and regulations of the provincial government—particularly the Quebec government with which I am most familiar—and those of the federal government. This lack of cohesion hinders operations and prevents small and medium-sized businesses from flourishing and expanding as much as they could.

(1725)

Our businesses must have the opportunity to expand if jobs are to be created. That is how we must go about creating jobs, not by increasing UI premiums or by penalizing the jobless. One does not create employment by penalizing the jobless or social assistance recipients. One creates jobs by giving our small and medium-sized businesses what they need to flourish. And this government is doing exactly the opposite of that.

The folly of this Liberal government is its determination to be a centralizing government. It wants to control everything from Ottawa. That is crazy. Everyone knows that decentralization is the key to economic growth. Major corporations such as General Motors and Ford are experts at decentralization. They turn over responsibility to their plants and have them compete directly with one another. The federal government, on the other hand, wants to control everything. That is ridiculous and that is why Canada is heading toward bankruptcy.

Day after day, we are digging ourselves deeper and deeper into debt and everyone knows it. The business community and international investors know it. Where are investors putting their money today? They are investing it in the United States, in Europe, in Japan or in Asia. They are no longer investing on the same scale as they used to in Canada. Why is this? Because the economic climate is not beneficial. The basic employment problem is due to the fact that Canada does not handle its affairs in a way that benefits our businesses, so they leave the country. Finally, according to a Canadian Chamber of Commerce survey, 20 per cent of Canadian businesses are leaving or are about to leave Canada to move to the United States. That is tragic.

The government itself creates unemployment by stubbornly trying to manage everything from here. How can the federal government adopt national laws and regulations when Quebec's economic culture is totally different from that of Ontario, the Maritimes or Western Canada? To withstand international competition and freer trade, our businesses must become sophisticated competitors. To help them achieve this goal, we must stop hindering them as is now the case. Do not look any further, that is what is happening.

The government should invest a little more in technology and make more equitable choices. It gave Ontario \$1.2 million more than Quebec for science and technology; that is what creates the most unemployment in Quebec. I made another very important discovery this week. According to a study, Ontario has 100,000 more federal public service jobs than Quebec. Again, this represents a very significant amount. Quebec has more unemployment than Ontario because it is very poorly served by the federal government. That is why we want Quebec to become sovereign.

[English]

The Acting Speaker (Mr. Kilger): I just want to remind the hon. member for Calgary North before I give her the floor that at 5.30 I must move to Private Members' Business.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, I am sure members of the House will be very sad that I only have three or four minutes. It is very interesting to me that members of the Bloc keep urging the goose to lay more golden eggs while at the same time they want to kill the goose.

I thought I might throw into the debate a few observations. I am indebted to Mrs. Karen Selick for some of this material.

These days in Canada our unemployment rate is over 11 per cent. Most probably know that, but what most of us probably do not know is that the unemployment rate in Hong Kong is about 1.5 per cent. That is the rate at which economists consider to be full employment. Those 1.5 per cent are primarily people in the process of changing jobs. About 1.5 per cent of our over 11 per

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cent are unemployed for the same reason, but what about the other 10 per cent?

With 1997 fast approaching and many Hong Kong residents scrambling to find a way out before China takes over, one would expect that Hong Kong would be going through a major economic recession complete with a high unemployment rate. Strangely it is not. Why? It is in part because it has no unemployment insurance.

There is a hypothesis that the existence of unemployment insurance increases unemployment. This hypothesis has been proven correct by economists. Economic theory can predict and explain this result and empirical studies have validated the theory.

I thought members of this House should have these scintillating facts before them as they consider this issue.

The Acting Speaker (Mr. Kilger): I must confess the member's timing was pretty good.

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

WITNESS PROTECTION ACT

The House resumed from April 20 consideration of the motion that Bill C-206, an act to provide for the relocation and protection of witnesses, be read the second time and referred to a committee.

Mr. Rex Crawford (Kent): Mr. Speaker, I rise to speak today for two reasons. One reason is to thank the hon. member for Scarborough West for bringing the important issue of witness protection before the House today.

As the Parliamentary Secretary to the Solicitor General rightly pointed out in the first hour of debate, the member deserves the thanks of all hon. members for his many months of hard work on this bill, for his determination and commitment to this issue and many other significant justice related issues. He is to be commended. His commitment and dedication reflect credit on the entire House.

My second reason for rising to speak to one aspect of Bill C-206 is the question of the scope of a protection program. More specifically, I would like to examine in some depth the categories of persons who might be deemed eligible for protection under a witness protection program.

We are all familiar with the concept of protecting crown witnesses who provide testimony against criminals. This group is the focus of the bill we are being asked to consider today. I am sure members recognize that court proceedings are the culmination of many months or even years of diligent work by enforcement authorities and prosecutors.

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Witnesses are crucial to this process, but there is also another group of persons whose activities are equally important and who often operate at great personal risk. These people inhabit that shadowy nether world between the courtroom and the criminal underworld. I am speaking here of informants, or sources as they are typically referred to by police, and of agents.

The activities of both of these categories of persons are often crucial to the process of building a case that can be taken to court. Sources are persons who pass information to the police on the activities of criminals. They are usually paid for their actions and not infrequently are criminals themselves.

As with witnesses, sources run the risk of violent retribution if their co-operation with authorities is exposed. Betrayal is not treated lightly in the violent criminal subcultures and retribution can often mean death.

Agents are not only paid sources of information. They often take on another role. As the word agent suggests, persons of this category acting at the direction of the police can undertake specific actions to help further investigations.

(1735)

For example, during drug investigations an agent can be used to introduce an undercover police officer to the criminal suspect or suspects. Performing the agent role can involve additional risk as one is not only providing information but also actively working against individual criminals or organized crime networks. Such work by its very nature entails greater risk of exposure.

Most sources and agents are motivated by the prospect of money and there may be little or no altruistic dimension to their behaviour. Despite their suspect motives the employment of such persons is necessary. The use of sources and agents is fundamental to our dealing effectively with organized crime and protecting such persons is often the only way to guarantee their co-operation.

The promise of protection also allows us to neutralize the weapons of fear and violence that criminals use to cow potential sources into submission.

Protection programs offer safe havens for criminals fearing for their safety. Their only option may be turning themselves over to the authorities. We must address these types of issues in a comprehensive manner if we are to construct strong and lasting legislation.

For this reason and because the activities of sources and agents are so fundamental to police investigations we must consider fully the categories of persons to be included in any protection program.

In this context, I would like very quickly to outline for the House my understanding of the situation in the United States, as I feel it is instructive to our examination of this bill.

The U.S. marshal service witness security program began operation in 1971. The program only deals with organized criminal activity or other serious offences. As its title suggests, the program is limited to providing protection for those persons testifying in major federal criminal proceedings. Police sources who do not provide testimony in court are not eligible for the program.

We have to bear in mind that the intent of the U.S. marshal's program is to elicit testimony that will convict major criminals. With a caseload of 500 witnesses per year the program is fully occupied with these witnesses alone. Police sources who do not testify remain the responsibility of the police. This restriction could create difficulties for Canadian enforcement.

Before acting we must deliberately and carefully explore what categories of people should be covered by any future Canadian witness protection program. If we move in haste we run the risk of limiting ourselves as the Americans have done with their federal program.

Certainly we may wish to be restrictive about the types of cases in which protection can be granted. To restrict a protection program to witnesses alone would in my opinion be self-defeating without a great deal more in depth consideration of the underlying issues.

Other related issues that might be dealt with in the legislation are questions of how parolees or probationers can receive protection while serving their sentences.

Practical issues aside, I also believe that the state has a moral responsibility to protect people who assist the authorities in criminal investigations. I believe this holds true even recognizing that the unsavoury character of many persons in the protection program makes them in the public eye unworthy recipients of taxpayers' dollars.

I would re-emphasize, however, that unsavoury or not, protection arrangements are crucial to effective enforcement action against criminals and organized crime. The proposed act to provide for the relocation and protection of witnesses has raised an important issue. We now have the opportunity of using the bill as a starting point to take comprehensive action on the issue of providing protective services for people who assist the authorities during criminal investigations and prosecutions.

(1740)

In my view this may mean going beyond the boundaries of the protection program proposed in the current bill by examining how protective services could be provided to the full range of categories of witnesses, sources and agents. Anything less would be a disservice to the intent and spirit of the bill and to the hon. member who sponsored it.

Private Members' Business

I congratulate the member for Scarborough West. He and I share the same views on most other matters as well. It was a pleasure for me to take part in the debate.

[Translation]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise today to speak in the debate on Bill C-206, an Act to provide for the relocation and protection of witnesses.

The hon. member for Scarborough West, the sponsor of this bill, deserves to be commended by all of us in this House for raising an issue that concerns law enforcement agencies not only in Canada but throughout the world.

For ten years, the need to protect witnesses has steadily grown, in direction proportion to increasing violence by criminals who act on their own or belong to organized crime. We need only remember the television news last night and this morning where threats were made; I am thinking of threats made in Italy against some judges and others by a criminal when he appeared in court. For this reason alone, then, the hon. member's bill is pertinent and certainly timely.

In the proceedings on Bill C-206, the Source-Witness Protection Program of the Royal Canadian Mounted Police was often mentioned. For obvious reasons, the RCMP is reluctant to disclose anything at all on this subject. Nevertheless, since it is the main program of this kind in Canada, we must have an idea of its extent and effectiveness to properly understand all the issues raised by this private member's bill.

This is why I am pleased to have this opportunity to present to the House a general outline of the RCMP's Source-Witness Protection Program.

First, let me put the program in its context. Source-Witness protection programs were always closely related to organized crime investigations. The expression "organized crime" includes various criminal activities, including the smuggling of large quantities of drugs, murders, aggravated assaults, money laundering, as well as extortion and robbery. As you know, it was strongly contended that organized crime was responsible for the smuggling activities in my riding, in your riding, and elsewhere.

More often than not, the perpetrators of these crimes also use fear and intimidation to make sure that witnesses and possible informants remain silent. However, the protection of witnesses now has a much greater scope. It is disturbing to see that, over the last few years, individual criminals have started to rely on fear and intimidation too. Let me go back to the comments I made earlier. These people are prepared to do anything to avoid being found guilty or to take revenge on witnesses.

Consequently, an increasing number of citizens need protection because of their role in cases which have nothing to do with

organized crime. It is because of this increasing need to protect witnesses and informants, and also because of the priority given to the fight against major national and international drug smuggling rings that the RCMP's Source-Witness Protection Program was created in 1984.

The creation of this program was also based on several other factors.

(1745)

There is the increasing need to use informers instead of RCMP undercover agents to penetrate complex criminal organizations. There is also the increase in violent crimes in Canada. There are, furthermore, obvious signs of extremist and terrorist activity in Canada. And finally, even more importantly, there is the jurisprudence on disclosure of information since the Charter of Rights and Freedoms was adopted.

All these factors have led to increased use of the RCMP's witness protection program.

Originally unique to the RCMP, the program is now used to provide protection for witnesses and informers through provincial and municipal police services across Canada.

Many of these services depend solely on the RCMP for this protection, but some of the bigger services have created their own units. They do not call on the RCMP for assistance except in cases where this is necessary in order to facilitate an identity change.

[English]

Most people entering the RCMP sources witness protection program in the mid-1980s were associated with major drug trafficking activities, but as I mentioned before, this has changed.

Today a growing proportion of the people entering the program have been involved in Criminal Code offences such as murder and serious assault. Obviously not every witness qualifies for witness protection despite the thousands of serious assaults that take place each year in Canada but the RCMP and other police forces must exercise care and good judgment when deciding who is eligible for witness protection and who is not.

These common sense safeguards ensure that the number of witnesses and informants do not outstrip the human and financial resources allocated to support the various witness protection programs.

In the last 10 years, the witness protection programs of the RCMP and other police departments have become highly effective enforcement tools against criminals who previously were able to use threats and violence against the witnesses to their crimes to avoid prosecution and conviction. The success of the witness protection program of the RCMP and other police departments speaks for itself.

Private Members' Business

Of the large number of witnesses and informants and their families who have been relocated over a 10-year period, none have come to any harm. That is a very important issue for us to consider, the effectiveness of what has been done thus far.

The RCMP carry out an average of 50 witness relocations per year. Of this number, approximately 10 cases are in support of other police departments. The direct cost of maintaining the RCMP's witness protection program averages \$1.1 million per year.

When those expenses are added to the human resources cost to support the program, its total annual cost exceeds \$3 million. Based on current trends, the costs of the program will probably increase as more people are given protection. However the costs are relatively cheap when measured against the impact that witnesses and informants have on individual criminals and organized crime.

There is no more devastating evidence than the firsthand testimony of a trusted accomplice exposing the inner workings of a criminal organization or that of a witness who has seen a serious crime take place and can identify the perpetrators.

Whether a witness or informant, these individuals are invaluable assets to the police and to the judicial system, not to mention society as a whole. In many cases the testimony cannot be replaced by any other investigative means no matter how expensive. This is especially true of drug enforcement.

Here the availability of the RCMP witness protection program has prompted informants and witnesses to come forward and assist the police and testify in court against major national and international drug traffickers despite the proven ability of these organizations to exact violent retribution. These witnesses have provided crucial first hand information to further investigations which otherwise would have been obtained at considerable cost to police resources, human and otherwise.

(1750)

Major police investigations often require the police to use investigative techniques such as long term telephone intercept, extensive surveillance and the attempted infiltration of target groups using undercover police officers. These techniques are usually more expensive than the cost of providing protection for a witness or an informant.

Since starting the witness protection program, the RCMP has built up an infrastructure of experienced members and contacts. RCMP officers are available in every province and territory to support witness relocations and protection, to obtain secure identity changes and to provide the necessary provincial documents to authenticate these changes.

At headquarters in Ottawa, RCMP members have developed a national RCMP witness protection policy and procedures and contacts to facilitate the changes that must be made within numerous federal government databanks where a witness or informant receives a new identity.

A witness protection program is an enforcement tool that must be administered to some extent under the veil of secrecy. If information about police methods and procedures were to leak out, criminals could use this knowledge to locate and harm their accusers, not to mention the chill it would have on future witnesses. For this reason, witness protection is one of the most sensitive law enforcement techniques used by the police.

The RCMP is well aware of the sensitivity and the need for all to take suitable precautions. This holds true whether the witness or informant requires a complete protection package or just short term emergency protection during court proceedings.

The RCMP also provides the same level of quality service to any other police department that requests advice or direct assistance in that regard.

Witness protection is not a cure for violent crime or for organized crime, but it is an important weapon in the law enforcement's arsenal to investigate and to convict those who participate in organized and other serious crime in Canada. In short, witness protection is here to stay.

The RCMP source witness program and other witness protection programs initiated to date in Canada are constantly undergoing review, change and improvement to ensure that they complement the justice system and provide effective, secure support for the protection of witnesses.

I see Bill C-206, the proposed act to provide for the relocation and protection of witnesses, as part of that process for change and for improvement.

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, I appreciate the opportunity to rise in support of Bill C-206, the witness protection act. Members of the Reform Party are calling for numerous improvements and major changes to Canada's criminal justice system. Reformers, some members opposite and indeed most Canadians want to see the federal government take action on many fronts.

The Young Offenders Act and the parole system both need to be fixed. Stricter sentencing guidelines for convicted people must be implemented. The protection of law-abiding Canadian citizens must be an integral part of a major overhaul of the criminal justice system. Penal reform and consideration of capital punishment are other areas that should be pursued.

Private Members' Business

Bill C-206, the private member's bill pertaining to the relocation and protection of witnesses, is a step in the right direction. This private member's bill is an important one and it is a long time coming. For far too long, witness protection programs, where they exist, have been administered in a helter-skelter type manner. Canada does not have a national witness protection program which is rather ironic given our federal system where the Criminal Code is the responsibility of the federal government.

I commend the member for Scarborough West for the work that he has done in an attempt to fix just one aspect to facilitate an improvement on how justice is done in our country.

(1755)

Complaints have been forthcoming for some time regarding the lack of adequate protection of witnesses in the current unorganized, hodge-podge way in which witnesses are dealt with in Canada. It is no wonder Canadians are losing faith in the criminal justice system when the state cannot uniformly protect its witnesses, the people it relies on to gain convictions against organized crime.

Introducing a national witness protection program is only a beginning step in the right direction when it comes to reforming Canada's justice system. Perhaps there can be no full and complete reform of the criminal justice system without addressing the entire legal industry. There is some speculation suggesting that our criminal justice system is in such a bad state of affairs because of the proliferation of lawyers which just may have something to do with the clogged court system, both criminal and civil.

Observations are beginning to be made in the United States that the true cost of the ballooning lawyer industry in American society amounts to billions upon billions of dollars per year. In the United States the number of students graduating from law school is 10 times higher than those who graduate from engineering.

In Japan and other countries whose industrial output is higher per capita than in the U.S. the opposite is the case and that is 10 engineering students graduate for every student who graduates from law school. I suspect both sets of figures may apply to Canada as well.

It is interesting and instructive to note there are 100,000 lawyers in Washington D.C. alone. The American capital has one of the highest crime rates in the United States. It seems that the proliferation of lawyers and the proliferation of laws go hand in hand. Part of the solution is to recognize that there might be a problem.

People want and demand fair but quick trials and sentencing in criminal cases, but the courts are backed up as a result of the growth of a system which is, as we all know, extremely top heavy. Justice, due process must not only appear to be served but seen to be served and as efficiently as possible.

The Young Offenders Act is a major contentious issue with Canadians. It represents yet another inadequacy in Canada's criminal justice system. The Reform Party believes, as do most Canadians, that the punishment of crime and the protection of law-abiding citizens and their property must be placed ahead of other objectives.

The present Young Offenders Act flies in the face of that major objective. It is the young offender who is protected, not law-abiding citizens. Youths between the ages of 12 and 17 are abusing the system. For committing murder they face a maximum sentence of five years. For armed robbery and violent sexual assault they can only be sentenced to a maximum of three years. For lesser offences, such as vandalism and theft, young offenders can get away with only a slap on the wrist, often in the form of community service work. Numerous instances exist where even this minimal sentence is spurned.

Where is the government's action on the Young Offenders Act? All we get are vague postulations, even as recent as this afternoon in question period, postulations but no action.

Another blatant breakdown in our criminal justice system is the issue of parole. Parole is now virtually automatic after one-third of the sentence is served. Parole must be discretionary, given for good conduct and should not amount to more than one-quarter of the sentence. Patronage appointments to the parole board must cease.

In 1987 parole reform was suggested by the federally appointed Canadian Sentencing Commission. So far we have got nothing. Perhaps the whole bureaucratic parole system should be abolished. Where is the government's action on the parole system?

Another flaw of the criminal justice system lies within the Canadian Charter of Rights and Freedoms. Sections 7 to 14 of the charter cover the legal rights of the accused. Judicial interpretation of these sections has made the work of police and prosecutors more difficult in areas such as detention, search and seizure, interrogation and the speed of cases going to trial.

(1800)

In fact it can be argued that the Charter of Rights and Freedoms actually hinders the Canadian justice system as it protects the criminal. The rights of the victim are not taken into account. Victims must be compensated by the offender to the greatest extent possible. Yet it is the offender who is compensated to the greatest extent by the Charter of Rights and Freedoms.

People, indeed members, cabinet ministers and some provincial governments are calling for the abolition of the Charter of Rights and Freedoms.

Great Britain from whence we inherited much of our system of government and criminal law does not have a written charter of rights and freedoms. I doubt that anyone would argue that the fundamental rights of the people in the United Kingdom are in grave danger.

Private Members' Business

Obviously the Canadian justice system is in rough shape. Law-abiding Canadians are demanding that the Young Offenders Act and the parole system be overhauled. They are demanding that the criminal justice system work for them and not for the perpetrators of crime.

It is a sad state of affairs when Canadians must wait to have their criminal justice system fixed one private member's bill at a time, but it is a start. Again I commend the member for Scarborough West for taking the initiative to do what is necessary and I support the member's efforts on Bill C-206. I support it as I hope do all members of this House.

Mr. Roger Gallaway (Sarnia—Lambton): Mr. Speaker, as you have already heard from other hon. members, the main intent of witness protection is to offer protection to those who assist the authorities in criminal prosecutions and in particular those prosecutions aimed at organized crime. Given this emphasis on organized crime I think it would be useful to give the House a brief overview of exactly what that term means in the context of the bill.

If we can understand the threat that organized crime poses for our society then we can understand why the bill is so important and why it must be given careful consideration. What is needed is a statutorily based guarantee of protection for people who come forward and are prepared to give evidence against organized criminals.

Police of all jurisdictions deal with organized crime, including the RCMP, provincial and municipal services. Other enforcement authorities also have important roles to play. For example, federal immigration and citizenship authorities work with the police to deal with the smuggling of illegal aliens and illicit trafficking in forged or stolen personal identification documents. In a similar fashion customs and excise authorities work closely with the police in dealing with the movement of drugs, weapons, contraband liquor and tobacco, protected technologies, or other illegally imported or exported goods.

On the judicial side federal and provincial crown attorneys are of course responsible for pursuing prosecutions and obtaining convictions through the court system.

All of those authorities are united in their desire to develop and use the most effective laws and programs possible to combat organized crime. This desire is understandable given the serious threat organized crime poses to Canadian society.

The *raison d'être* of organized crime is simple: to make as much money as possible and to minimize the risk of getting caught by forming organized groups and networks. In its pursuit of illegal profits organized crime will engage in activities as varied and complex as those engaged in by legitimate multinational corporations.

Consider money laundering for example. The laundering of criminal proceeds through financial institutions and otherwise legitimate businesses by organized criminals subverts the operation of the legitimate economy by introducing unfair and unlawful practices, including tax evasion. Organized crime plays a key role in the maintenance and expansion of the underground economy by fueling the trade in stolen and smuggled goods.

The results are enormous tax losses for government and poorer services to the public. Every honest Canadian pays for the illicit profiteering of organized criminals and not just in terms of dollars and cents.

Many organized crime activities, such as drug trafficking and gaming, can have serious negative effects on our youth and families.

(1805)

Violence associated with organized crime contributes to public fears and perceptions about personal victimization. In certain instances organized criminals use violence and intimidation in an attempt to dominate community members. In so doing they contribute to the isolation of some groups in our society. As profits from organized crime grow, so does the potential for the corruption of public officials and democratic institutions.

Organized crime groups challenge the legitimacy of government and encourage disrespect for lawful authority and public institutions. In its international variations, organized crime threatens Canadian sovereignty and our ability to control our borders.

Let me set out a brief typology of organized criminal behaviour to further illustrate the depth and seriousness of the organized crime problem.

Organized crime can occur locally. Juvenile prostitution rings operating in urban centres are one particularly sad and cruel example of local organized crime at work. In many cases local criminal operations are loosely or formally linked to other operations across the country.

Interprovincial organized crime is a particular problem because when criminals operate across jurisdictions it is more difficult for authorities to track and to combat their activities.

Then we have transnational crime where Canadians are involved in the movement of commodities into or out of the country. The initiative launched recently by the government to bring the smuggling problem under control shows how serious this variant of organized crime can be. Similarly transnational economic crime and money laundering by Canadians or by foreigners using Canadian or international institutions represent serious threats to the integrity of our financial and economic systems.

Private Members' Business

Finally, there is the very difficult and growing problem of international organized crime. Here foreign crime networks work with or co-opt Canadian criminals. International trafficking in cocaine and heroin is the best example with extremely well financed, well organized and ruthless cartels manipulating the international drug trade.

Underlying all of these criminal enterprises are two common denominators: violence and intimidation. Violence and intimidation are used to enforce discipline in criminal organizations, to compete for shares of illicit markets and to prevent people victimized by crime from co-operating with the police. This is a crucial point in the context of the bill because violence creates a climate of fear and fear can be a powerful disincentive to co-operation with the police and prosecutors.

To break the conspiratorial silence of organized crime we have to be able to offer protection to people who are willing to assist the authorities in their criminal investigations. There is a clear need for a system that encourages people to come forward to give information or evidence against organized criminals, a need recognized by the bill.

In summary, I would like to make some general observations on what I believe a protection program must do in the context of the organized crime problem.

First, we must ensure that a program would accommodate the needs of all the police and enforcement authorities with responsibilities for dealing with organized crime.

Second, every kind of organized crime is serious. In setting the parameters for a program we would need to ensure that the fullest range possible of offences carried out by organized criminals are addressed.

Finally, I note that the problem of international and transnational organized crime is a growing concern in the context of economic and political globalization. Therefore a protection program would need to take into account the necessity of co-operation between Canadian agencies and their counterparts in other nations.

I believe that this proposed act to provide for the relocation and protection of witnesses is important in signalling to the Canadian public the need for a statutorily based protection program for people who assist the authorities in criminal investigations and prosecutions. However before that is possible it must be studied further in light of the criteria I have just described.

(1810)

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, I also rise today to speak to Bill C-206, an act to provide for the relocation and protection of witnesses.

Listening to previous debates on the bill, it is clear that we all agree on the importance of providing Canadians with an effec-

tive and efficient witness protection program. We also appear to agree that the best means of achieving this, of ensuring a first rate witness protection program is through legislation. The obvious benefits of legislation pertain to accountability, transparency and universality.

In terms of accountability, there is no question that a minister should be held accountable to Parliament for the administration of this important service. While acknowledging that witness protection is inherently a confidential program, its basic principles and features should be matters of public knowledge.

There would be less misunderstanding about the purpose and scope of a witness protection program if its fundamental principles, criteria and procedures were expressly defined in law. When we speak of the need for universality, it is that witness protection should be available to all Canadians given the criteria for eligibility are satisfied.

There are of course other desirable features of legislation many of which have been raised in this debate. My point is to say we are all convinced that Canada's witness protection requirements would best be addressed through legislation. Having agreed that a legislated witness protection program is desirable, we must then ask what we want addressed in legislation besides the program's basic tenets and parameters.

As we have already learned, witness protection is a complex function of law enforcement, criminal prosecutions and public safety. It involves the interest and participation of numerous individuals and government departments. It generates considerable administrative activity. To what extent, I ask, should we address in legislation administrative requirements that comprise a witness protection program?

One thing is certain and that is that an ineffective witness protection program could lead to drastic results for all concerned. We must ensure we do not create a program without providing the tools for its effective implementation.

Of course, to address the specific issues that should be dealt with by legislation requires a thorough understanding of the intricacies of this service. This leaves us in a bit of a quandary as there are few experts in this field. Certainly we in this House, although we have been considerably enlightened over the course of this debate, really are not witness protection experts.

It is not my intention in speaking to trivialize in any way the efforts of my colleague, the hon. member for Scarborough West, or to minimize the knowledge he has obviously gained in this area; indeed he ought to be complimented for his efforts in this area. Knowing the scarcity of information on witness protection and the difficulty in accessing whatever information there is, the hon. member is to be commended for his tabling of Bill C-206. I speak today only to suggest that as with any law, the proposed legislation should take into consideration the representations of experts in the field.

Private Members' Business

A recent example of a similar undertaking can be found in Australia. A parliamentary review of witness protection took place in Australia in the late 1980s. The joint committee on the national crime authority produced its final report in 1988 following extensive testimony and submissions to the committee by police, lawyers, academics and even protected witnesses themselves.

We are fortunate to be able to benefit from the Australian experience, particularly in light of the scarcity of information on witness protection. I would like to share with the House some of the committee's observations and recommendations as well as review aspects of the Australian witness protection bill which was tabled in its Parliament in March 1994.

For members' information, the bill proposes the establishment of a national witness protection program to be operated by the Australian federal police.

(1815)

To begin with, the committee clearly recognized that witness protection is crucial to the investigation and prosecution of organized crime and that in fact the vast majority of individuals who receive protection are informants, more specifically police agents.

I quote from the report:

The reality is that the majority of witnesses likely to be in need of protection will look at some involvement in the criminal activities in respect of which they are giving evidence.

The importance of this fact cannot be overemphasized. The implications of protecting and relocating individuals who have criminal experience or criminal associations are significant. I would suggest that this fact be specifically addressed in any proposed witness protection legislation in the interests of public safety and the general success of a witness protection program.

The Australian witness protection bill clearly considers this important issue. For example, clause 7 of the Australian bill lists matters that the witness must disclose before being included in the program. Most of these matters pertain to possible civil obligations, including debts, bankruptcy and other financial liabilities, as well as a detail of the applicant's criminal history.

This provision addresses the practical but very important, complex and costly problem associated with protecting witnesses who have outstanding liabilities in the old name. In effect it provides the commissioner of the Australian federal police permission to terminate an agreement with a witness if these kinds of liabilities were not disclosed prior to admission of the program.

I would suggest that this is the kind of practical matter that needs to be considered when legislating witness protection so that the program eventually created is workable.

Similarly, the committee recognized the importance of an efficient name change and documentation process and made several recommendations in this regard. Clause 22 of the Australian bill reflects the intention of one of these recommendations by creating an offence of unlawfully disclosing information about the witness' identity or information that would compromise his or her security. This is another example of an important aspect to witness protection that should be addressed in law.

The provisions of documents in the witness' new name in a timely and secure manner is vital to the success of relocation. In fact, this is the key to the success of any witness protection program. If an efficient name change and documentation process can be achieved by providing legal authority for the administration of this function and also sanctions for disclosure then we should be addressing this issue thoroughly in legislation.

I referred to just a few of the Australian bill's provisions. Overall the bill addresses numerous practical administrative considerations with informed detail. I have referred the House to the bill and the commentary in the Australian parliamentary joint committee's report to underscore the need to address this issue in a comprehensive manner. These are the types of factors that must be examined before this government can in good conscience proceed further with legislation for a witness protection program.

In closing, I would suggest that we learn from the experience of our Commonwealth partner and adopt a similar thorough approach to the important issue of witness protection in this country.

Mr. John O'Reilly (Victoria—Haliburton):

Mr. Speaker, it is a pleasure for me to rise and speak on Bill C-206, legislation for the protection of witnesses and the relocation system. I commend the hon. member for Scarborough West for bringing the bill forward.

Many court cases are lost because of fear from witnesses. Family safety is paramount to allow witnesses to give evidence without fear of reprisal from criminal elements. My three years of work in the Ontario parole system taught me and made me very aware of the problems that exist within our penal system. Inmates live in constant fear within the system, afraid of being identified as rats because rats have a very short lifespan in the prison system.

(1820)

Gangs from every segment of our population exist in prison. They control the institution from the prisoner's point of view. If a witness who is himself or herself a criminal wants to change their lifestyle this program offered by Bill C-206 is a ticket for them to give valuable evidence and be assured of some life after the court appearances.

Private Members' Business

Innocent family members are also offered an escape from the criminal life they may be trapped in and have no way out of. The reform of our criminal justice system may come from bills like this one from members and particularly from the member for Scarborough West.

I have experience in an organization called Crime Stoppers which I helped form and was the first chairman of in the town of Lindsay. I learned that anonymity was the key to success. Pay for evidence for convictions. Judges grant search warrants based on tips from Crime Stoppers because they know it comes from very close sources to the crime.

We even had instances of people calling from the Lindsay jail for bail money through the Crime Stoppers program. People are motivated by not having to worry about going to jail if they give evidence or having to exist in a criminal element in our prisons by giving evidence. This proves the point that being assured of no punishment allows people to come forward and give evidence against criminals who have no regard for life or limb of any witnesses and will do almost anything to eliminate a witness from a court trial that may put them behind bars.

Bill C-206 is an important step toward the fight against organized crime. Youth gangs, organized mature adult criminals and other elements in our criminal society are not prosecuted for fear of reprisal from witnesses. If this program does anything to address that problem it will certainly make me feel better that we have done something in Parliament to forward our criminal justice system in a method that allows it to work as it properly should without fear of reprisals and to be able to have a life after.

Canadians will benefit from the bill. All members should support it and help promote witness protection as a right of every individual in Canada. It will take away that fear, take away that element that criminals thrive on, that wonderful thing that they have of intimidation. Take that away in some form and we help to make our society a better place in which to live.

I support the bill in its entirety. I hope that it goes forward and that every member of this House will support it and support other bills that come forward, no matter whether they come from our friends on the opposite side of the House or from members on this side of the House. If they make sense and if they help us to promote our society to be a safer, better place to live, we should look at all members supporting them and bringing forward ideas and bringing forward amendments if we need to.

The bill should go forward and it should help Canada be a better place to live.

Mr. John Cannis (Scarborough Centre): Mr. Speaker, I rise today to speak on Bill C-206, an act to provide for the relocation and protection of witnesses.

The hon. member for Scarborough West, the sponsor of the bill, deserves credit for bringing before the House an issue that

occupies the attention not just of Canadian law enforcement agencies but of law enforcement agencies around the world.

In the past 10 years the need for witness protection has grown dramatically in direct proportion to the increased violence displayed by individual criminals and organized crime. For this reason alone the hon. member's bill is timely and well deserved.

(1825)

In previous debate on Bill C-206 mention was made several times of the Royal Canadian Mounted Police source witness protection program. For obvious and very good reasons the RCMP is cautious about revealing information concerning the program. As this is the main witness protection program in Canada we need to know something of its scope and effectiveness if we are to better understand all the issues raised by this private members' bill.

To this end I am happy to have the opportunity today to provide the House with a general overview of the RCMP source witness protection program.

First let me set out the context. Historically witness protection programs are most closely associated with the investigation of organized crime. The term organized crime covers a broad range of criminal activity including large scale drug trafficking, murder, serious assault, money laundering and extortion and robbery. As often as not these crimes go hand in hand with the use of fear and intimidation to ensure the silence of potential witnesses and informants.

However witness protection today has a broader application. A disturbing trend in recent years has been the use of fear and intimidation by lone criminals. These people are willing to go to any lengths to avoid convictions or to extract retribution from witnesses. As a result there are a growing number of people who need protection as a result of their roles in cases that have nothing to do with organized crime.

To deal with this growing need for witness and informant protection and in response to the increased enforcement priority placed on fighting major national and international drug trafficking organizations, the RCMP source witness protection program was started in 1984.

There were also several other factors underlined in the launch of the program. These included an increasing need to use confidential information rather than undercover RCMP officers to infiltrate sophisticated criminal organizations; the growing incidence of violent crime in Canada; clear evidence of extremist and terrorist activities in Canada and, most important of all, disclosure jurisprudence flowing from the charter of rights. All of these factors contributed to the growth of the RCMP's witness protection program.

Adjournment Debate

Although originally intended for the use of the RCMP alone the program now provides protective services to provincial and municipal police forces right across Canada.

While many of these police forces rely entirely on the RCMP for witness protection program services some of the larger police departments have formed their own witness protection units. These larger police services only come to the RCMP for assistance in cases where federal help is needed to facilitate a change of identity for a witness or an informant.

Most people entering the RCMP source witness protection program in the mid-1980s were associated with major drug trafficking activities. However, as I mentioned a moment ago, this has changed of late. Today a growing proportion of the people entering the program have been involved in Criminal Code offences such as murder and serious assault.

Obviously not every witness qualifies for witness protection despite thousands of serious assaults that take place in Canada each year, but the RCMP and other police forces must exercise care and good judgment when deciding who is eligible for witness protection and who is not.

These common sense safeguards ensure that the numbers of witnesses and informants do not outstrip the human and financial resources allocated to support the various witness protection programs.

In the last 10 years the witness protection programs of the RCMP and other police departments have become highly effective enforcement tools against criminals who previously were able to use threats and violence against the witnesses to their crimes to avoid prosecution and conviction.

The success of the witness protection program of the RCMP and other police departments speaks for itself. Of the large number of witnesses and informants and their families who have been relocated over a 10 year period none have come to any harm.

The RCMP carries out an average of 50 witness relocation programs per year. Of this approximately 10 cases are in support of other police departments. The direct cost of maintaining the RCMP's witness protection program averages \$1.1 million per year. When those expenses are added to the human resource costs to support the program its total annual cost exceeds \$3 million.

(1830)

Based on current trends, the cost of the program will probably increase as more people are given protection. The costs are relatively low when measured against the impact that witnesses

and informants have on individual criminals and organized crimes.

There is no more devastating evidence than the firsthand testimony of a trusted accomplice exposing the inner workings of a criminal organization or that of a witness who has seen a serious crime take place and can identify the perpetrators.

Whether a witness or informant, these individuals are invaluable assets of the police and judicial system. In many cases their testimony cannot be replaced by any other investigative means.

This is especially true in drug enforcement. Here the availability of the RCMP's witness protection program has prompted informants and witnesses to come forward and assist the police and testify in court against major national and international drug traffickers despite the proven ability of these organizations to exact violent retribution.

These witnesses have provided crucial firsthand information to further investigations which otherwise would have been obtained at a considerable cost in police resources, human and otherwise.

[Translation]

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

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

TRADE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, on April 21 I raised a question with the Minister for International Trade specific to the attack on Canadian wheat farmers, including such extreme attacks by certain people in the U.S. talking about minuteman missiles coming over to Canada.

At that time with the minister I raised the issue in general of Canada's trade policy, in particular this government's trade policy, and what it meant for Canadians specifically to the issue of wheat farmers, particularly durum wheat which is an ongoing dispute which has not been resolved with the United States by this government.

Adjournment Debate

We learned on May 24 that as part of an attempt to resolve this dispute the minister simply confirmed that there was a Canadian proposal to resolve the farm trade dispute and through that Ottawa would eliminate a rail transportation subsidy on grain shipped through Thunder Bay, clearly affecting in a detrimental way the shipping industry in Thunder Bay. The rerouting seems to me not to be an answer to the problem of this trade dispute but the creation of yet another problem for Canadians in another industry.

When I first raised this question with the minister I raised the issue as well of NAFTA. He reminded me that the wheat dispute did not come under NAFTA but under GATT and of course I was very well aware of that.

However I am concerned that even since April 21 we have seen a deterioration in our trade relations with the United States. The minister has made a number of statements that do make the connection between these disputes that we have had and the NAFTA agreement which was proclaimed by the government on January 1, 1994.

Prior to January 1, prior to the election of 1993, the often quoted Liberal red book with regard to trade relations stated: "The Canada-United States free trade agreement and the North American free trade agreement are flawed. A Liberal government will renegotiate them".

The government implemented NAFTA on January 1 and is now backtracking. For example, the minister on May 25 stated in an article in the *Toronto Star*: "In the harshest remarks by a Canadian minister in recent years, the minister yesterday accused President Bill Clinton's administration of increasingly arbitrary use of U.S. trade law to thwart Canadian exports in wheat, lumber and other commodities and of kowtowing to regional interest".

(1835)

The article goes on to say that the minister stopped short of talking about abrogating the North American free trade agreement if disputes continue, but certainly did warn in that same interview that NAFTA is in a somewhat uncertain position at this time.

My party has said for a very long time that NAFTA is not just uncertain, it is bad news for Canada. Yesterday in another journal, the *Globe and Mail*, the minister was quoted as saying that we may see a move away from the dispute settlement panel procedures into a broader based discussion.

Clearly the harassment by the United States on this issue continues on a variety of fronts. Farmers know what they have given up after the NAFTA deal and under the trade policy of the Liberal government in general. Lumber producers know what they have given up under Liberal trade policy. Unemployed

workers in the manufacturing and service industries know what they have given up under Liberal trade policy and I would like to ask the minister or his representative can they tell this House what Canadians have gained from Liberal trade policy.

All we see is the backtracking now coming to the realization that NAFTA is not in Canada's interest, and implementing such measures, for example, is eliminating the rail transportation subsidies. Canadians on a wide variety of fronts know what they have lost from Liberal trade policy. Can the representative explain what exactly Canadians have gained?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, in response to the hon. member, the North American Free Trade Agreement, with improvements secured by this government, provides improved access to the Mexican market and builds on the Canada-U.S. free trade agreement in enhancing Canadian access to the United States.

Canada and the United States are each other's largest trading partners. In 1993 the total bilateral trade between our two countries was \$256 billion. This trade was in Canada's favour by nearly \$30 billion. Given such a large volume of trade, it can be expected that differences may arise. What is important to remember is that 95 per cent of this trade is undisputed.

I can assure the House and the member across that a satisfactory resolution of the agricultural negotiations with the United States is a top priority of the government. The issue has been raised at the highest level in discussions between the Prime Minister and the President of the United States. As well, the Minister for International Trade and the Minister of Agriculture and Agri-Food have been working very hard in negotiations with the U.S. in order to conclude an agreement that respects the interests of the Canadian agricultural industry.

The Minister for International Trade has just returned from meetings in Washington with members of the U.S. administration where he again vigorously underscored the Canadian position. With respect to grains, the United States has chosen to pursue the matter of Canadian exports to the United States under the GATT and not NAFTA.

On May 3 the United States officially notified the GATT of its intentions to renegotiate tariffs on wheat and barley under the GATT article XXVIII. This notification triggers a 90-day period in which Canada and the United States will continue to attempt to reach a mutually satisfactory settlement of several agriculture trade issues.

If no agreement is reached following the 90-day period and the United States does proceed with restrictions on Canadian wheat and barley, Canada has the right under GATT to retaliate. If necessary we will exercise our GATT rights in response to the U.S. trade action.

Adjournment Debate

I wish to emphasize that the government remains committed to reaching a negotiated solution to these issues and will continue to work toward that objective during the 90-day period to ensure that the best interests of the Canadian agri-food industry are served. The Minister for International Trade and the minister of agriculture will be meeting with their U.S. counterparts next month in an effort to resolve.

In conclusion, I want to remind everyone that in bilateral trade in agricultural and agri-food products between Canada and the United States, that portion alone is worth several billion dollars. It is in the interest of both Canada and the U.S. to ensure that this trade grows in both directions to the benefit of both countries.

(1840)

FOOD LABELLING

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, on February 21 I had the opportunity in the House to ask a question of the minister of agriculture about the expansion of country of origin labelling in Canada. At that time the minister indicated general agreement with the concept and the fact that there would obviously need to be ongoing discussions with the various sectors of the agri-food industry.

In April I had the opportunity to put a question to the parliamentary secretary to the minister, again about the issue of country of origin labelling, with the twist that it had come to my attention at a meeting of the Middlesex Federation of Agriculture that there was concern among Canadian farmers that perhaps there had been an agreement, a secret agreement I guess, made between Canada, Mexico and the United States not to pursue the idea of country of origin labelling. I had the assurance from the parliamentary secretary at that time that this was not the case.

I wish to pursue this briefly today in the House because we all know that it does pay to buy Canadian. I certainly prefer to purchase Canadian product, and that obviously includes agri-food product, as I think many Canadians do. Within a given range of expense, I think that many Canadians are prepared to pay a little bit more for a Canadian made product or a Canadian grown product in the agri-food situation.

My farm constituents in London—Middlesex would want me to say that we certainly have the safest food anywhere in the world, and as an urban Canadian I agree with that. If it is a little more expensive through no fault of Canadian farmers, then I am prepared to pay that little extra and I would certainly hope and I do believe that many Canadians are also prepared to pay that little extra.

I wonder about the labelling we see in food stores. I have spoken to the parliamentary secretary and the minister informally on this as well as many members. It is pretty easy to go into a food store in this country and see in large letters "Packaged in

Canada", and below it in very minuscule letters, almost unreadable, "Product of California" or South Carolina or wherever.

To the naive purchaser, which I would be, not often frequenting these food stores because that chore is taken on by one better qualified in my family, my wife, it is pretty easy to think you are buying a product that was produced in Canada when in fact it simply was packaged in Canada.

I have a couple of questions for the Parliamentary Secretary to the Minister of Agriculture and Agri-Food.

First, will the government consider some expansion of the concept of country of origin labelling, or at least will there be an opportunity to have a dialogue with the Canadian agri-food industry about this idea?

Second, is there not some concern from the minister and from our government about safety standards of agri-food product that is imported into this country? I ask this second question because we have all heard the horror stories about imported food. Let us for example talk about chicken from the southern U.S. The former illustrious member for Lambton—Middlesex has a pretty good horror story about southern U.S. chicken coming into this country, treated in such a way that I think if most Canadian consumers knew it might turn their stomachs, if not dissuade them from buying that product.

To what extent is that a concern of the minister and of the parliamentary secretary and of our government?

(1845)

I have two questions in summary. Will the concept of country of origin labelling be pursued with our Canadian farmers in at least a determination of how much they want to pursue it? I understand there is a potential downside when that is done to our product in other nations. To what extent is there a concern about imported agri-food product being up to the safety standards of our product, not that it is acceptable to come into the country, but is that food in all instances as safe as our own Canadian agri-food product?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Mr. Speaker, it is a pleasure to answer the questions from the hon. member.

In answer to his first question, yes, the department will continue and is open to dialogue as far as the labelling of food products in Canada is concerned.

In response to the second question, Canada has country of origin labelling requirements for food products sold in Canada at the retail level. These requirements are provided under the appropriate regulations for food covered by the Meat Inspection Act, the Canadian Agricultural Products Act and the Consumer Packaging and Labelling Act.

The rules apply to these products for purposes of health and sanitary inspection whether they are produced domestically or imported. Our main objective has been and will continue to be the safety of the agri-food product.

Adjournment Debate

Both federal and provincial labelling requirements for agri-food products were in place prior to the signing of the North American Free Trade Agreement and were not affected by the agreement coming into force.

Product which is imported and only packed in Canada will still be marked with the country of origin. However if it is substantially transformed with the addition of further value it will then be marked as product of Canada.

Under the NAFTA, rules were negotiated for determining the country of origin. These rules will be used for customs purposes. In this regard U.S. customs require that all imported products be marked with the country of origin while Canada does not use markings for customs purposes for agri-food products.

Under the negotiations Canada achieved its objective of transforming the U.S. discretionary marking rules into a clear set of rules based on tariff classification. As a result Canada will have a better mechanism to ensure that the U.S. applies more consistent rules to Canadian exports into the United States.

Appropriate government departments are currently working to ensure that the new rules do not create unnecessary costs for Canadian exporters and that they are favourable for Canadian products which may be packed in the United States and returned for sale in Canada.

PACIFIC SALMON TREATY

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Fisheries and Oceans.

On April 26, 1994 I asked the minister of fisheries a question regarding the failure to reach a successful conclusion during recent Pacific salmon treaty negotiations. This failure could result in serious consequences for the Canadian fishery industry.

Canadian fishing conservation measures have been undertaken for many years now. Unfortunately our American neighbours have not been as diligent in their past efforts to maintain a viable fishery stock. Presently they are being forced to close salmon runs due to the destruction of habitat and to place moratoria on fishing in the Strait of Juan de Fuca due to past fisheries mismanagement and the squandering of too many fish.

It is my understanding that negotiations have gone off track due to the intransigence of Alaskan negotiators and their refusal to co-operate in Canada's definition of fair and equitable goals. Surely the Americans must understand that if we have shared fish stocks and they have destroyed or drastically reduced the viability of the Oregon and Washington fish stocks in the Strait of Juan de Fuca, we as Canadians will want to work out a solution to this problem that will not penalize Canada for maintaining sound conservation measures in contrast to the lack of any of the same practices south of the border.

We already have a situation whereby last year we in effect subsidized the American fishery by the sum of approximately \$65 million. This represents Canadian fish being caught by American fishermen. We are now being asked to close or seriously curtail our fishery in order to correct the poor management of the Canada-U.S. shared fisheries resource. This would mean a drastic reduction to our catch, tying up Canadian boats and putting Canadian fishermen out of work.

This situation I suggest is unacceptable for my province of British Columbia and for Canada as a whole. I ask the Parliamentary Secretary to the Minister of Fisheries and Oceans what further action we may take to get the negotiations back on track. If this is not possible, what further action may the Government of Canada take in its dealings in the Pacific salmon fisheries in order to prevent a full scale fish war?

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question. I know how crucial this issue is for British Columbia and how important it is to the hon. member.

Let me begin by saying that we are very concerned with the position of the U.S. government. Its position on fishing arrangements is completely unreasonable. It wants more Canadian fish but wants us to take less of its fish. It wants Canada to help conserve its fish stocks but is not prepared to help us to conserve ours. It wants increased access to Canadian salmon when its stocks are low but denies Canadians the same treatment.

Its position on the equity principle is also completely unreasonable. According to the Pacific salmon treaty the principle of equity means that each country is entitled to fisheries benefits which are equivalent to its own production of salmon.

This fair balancing has never been implemented by the U.S. The current imbalance against Canada has almost doubled in the last four years and we are now in a deficit position of approximately \$65 million a year. Instead of recognizing this imbalance the U.S. position is that for this year it wants to increase the deficit to \$100 million.

Canada's position is clear. We are doing everything possible to ensure that we negotiate terms with the U.S. which are fair and responsible for both countries.

The Prime Minister has raised this matter with President Clinton who has agreed to become involved. The Canadian negotiator recently met with the state governors who have agreed to pursue the matter further with the U.S. administration.

The Minister of Fisheries and Oceans is currently in Washington, D.C., meeting with U.S. congressmen and senior officials. The province of British Columbia has agreed to assist in putting the Canadian case before U.S. opinion makers.

Adjournment Debate

Barring these extensive measures, Canada's position is equally clear. We are not prepared to allow the U.S. to continue to reap the rewards while Canada bears the burdens. For too many years Canada has put off until the next year taking a firm line with American negotiators.

I want to make it perfectly clear that this year that will not be the case.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38(5) the motion to adjourn the House is now deemed to have been adopted.

The House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.51 p.m.)

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