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Tuesday, June 14, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, June 14, 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, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 12 petitions.

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(1005)

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Human Resources Development regarding Bill C-28. The committee has examined the bill and has agreed to report it with amendments.

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PETITIONS

INDIAN AFFAIRS

Mr. Rex Crawford (Kent): Mr. Speaker, I am honoured to present two petitions on behalf of my constituents pursuant to Standing Order 36.

The first is signed by several dozen residents of Walpole Island, First Nation, who call upon the government to maintain at all times their no GST status on or off the reserves for any purchases they might make.

ETHANOL

Mr. Rex Crawford (Kent): Mr. Speaker, the second petition is signed by hundreds of my constituents of Kent who call upon the government to support a domestic ethanol industry in light

of the fact that a \$170 million plant for Chatham is in jeopardy without federal involvement and since legislative support of ethanol is Liberal policy. The petitioners want it to become government policy.

Also, in Chatham on Friday there was an Ethanol rally sponsored by the city of Chatham in the county of Kent. It was an outstanding day with enthusiasm and high spirits.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have a petition from business men and women who point out that some progress has indeed been made by government and the private sector with regard to access to more capital to provide more growth and therefore more jobs.

They also point out that there is a need to continue to work hard to eliminate the red tape which is often an impediment to conducting business in Canada. They see the current goods and services tax as cumbersome, as wasteful and as burdensome. They want the GST replaced and while doing so they want government and those who are working with government on an alternative not to forget the small and medium size business men and women.

CHILD OFFENDERS

Mrs. Elsie Wayne (Saint John): Mr. Speaker, pursuant to Standing Order 36 it is my honour to present two petitions signed by several thousands of constituents.

The first petition which has 2,343 signature wishes to draw to the attention of the House that the incidents of sexual abuse directed toward children are becoming more and more frequent; that each incident of paedophilia harms the public and that there would be fewer such incidents if such persons were immediately taken off the streets for the protection of our children and the safety of our communities.

Therefore the petitioners call upon Parliament to enact legislation that would remand to custody any person charged with the act of paedophilia and that such person be denied bail until such time as this person has been proven innocent or until they have served the full length of sentence imposed upon them.

TAXATION

Mrs. Elsie Wayne (Saint John): Mr. Speaker, the second petition has some 465 signatures and draws to the attention of the House that the senior citizens of New Brunswick are outraged at the amount of taxation imposed upon them by the government.

Routine Proceedings

Therefore they ask the House of Commons to oppose the taxation measures directed at Canadian seniors in the last federal budget.

HUMAN RIGHTS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by numerous residents of Harrowsmith, Sydenham, Glenburnie, Belleville and Kingston. That pretty well covers the communities that have signed, all of which are objecting to changes in the human rights code of the Canadian Human Rights Act or the Charter of Rights and Freedoms dealing with same sex relationships and approval thereof.

Most of the constituents are from the neighbouring riding of Hastings—Frontenac—Lennox and Addington but for whatever reason the petition was forwarded to me by them. I present it to the House on that basis.

(1010)

ASSISTED SUICIDE

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have a second petition dealing with the issue of changes to the Criminal Code regarding assisted suicide.

The petitioners who signed this are from the same communities. They ask that the prohibition against assisted suicide be retained without changes and that the current law be enforced so that Parliament is not seen to be aiding or abetting assisted suicide.

YOUNG OFFENDERS

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, pursuant to Standing Order 36, I am pleased and honoured to present a petition signed by people in my riding of Victoria—Haliburton and other areas concerning young offenders.

No doubt they are joining the thousands of Canadians who are concerned about the violence in our communities, in particular the disturbing rise in youth violence.

This petition has been duly certified by the Clerk of Petitions and calls on Parliament to review and revise our laws concerning young offenders by empowering the courts to prosecute and punish the young law breakers who are terrorizing our society by releasing their names and lowering the age limit to allow prosecution to meet the severity of the crime.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 49 and 50.

[Text]

Question No. 49—**Mr. Simmons:**

What action has the Department of Environment taken in response to the concerns raised by the Auditor General in his 1993 report that “parliamentarians and stakeholders were not comprehensively and equally informed about key issues affecting the effectiveness and cost of the pulp and paper regulations?”

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Environment Canada accepts these criticisms and is modifying its process. In the future, the process will involve early consultation with all stakeholders and partners (provinces, parliamentarians, industries, NGOs) in the development of options for a particular environmental issue.

Accordingly, Environment Canada has committed itself to implement a process that will fulfil the principles of: public participation, openness and transparency in the decision-making process; exploring options beyond traditional command and control regulations such as: market-based tools (trading programs, taxes and charges, financial incentives, environmental liability and deposit/refund systems); voluntary actions (guidelines and multistakeholder protocols); information provision (environmental labelling, technology development and transfer, government reports/inventories, citizenship); and regulations/guidelines/environmental quality objectives; and cost effectiveness, flexibility, and harmonizing environmental management regimes among federal and provincial governments.

[Text]

Question No. 50—**Mr. Simmons:**

Is the Department of Environment taking the necessary measures to ensure that its regulatory impact analysis statements contain full and accurate information on its proposed regulatory initiatives, and will they remain “the essential means of disclosing information to cabinet, Parliament and the public”?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): The Department of Environment will continue to ensure that the regulatory impact analysis statements (RIAS) fulfil the Treasury Board requirements in terms of providing clear and concise information on:

1. the rationale for the environmental measure (regulations or economic instrument);
2. an assessment of alternatives to the selected environmental measure;
3. evaluation of both costs and benefits (quantifiable where possible);

4. the comments received in the course of the consultation period; and

5. how the environmental measure will be enforced.

Since the RIAS is a summary of technical and economic studies, any economic related information or questions could be answered by providing interested parties with these studies. These are available upon request and upon the publication of the RIAS in the *Canada Gazette*, Part I.

If any additional information needs to be clarified, the resource persons identified in the last section of the RIAS may be contacted.

[English]

The Deputy Speaker: The questions as enumerated by the parliamentary secretary have been answered.

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

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

[Translation]

The Deputy Speaker: My dear colleagues, I would like to bring to the attention of the House a printing error that has crept into today's *Order Paper*.

[English]

The order for third reading of Bill C-11 which appears in today's Projected Order of Business at third reading stage is unfortunately not printed in the *Order Paper*.

GOVERNMENT ORDERS

[English]

EXCISE ACT, CUSTOMS ACT, TOBACCO SALES TO YOUNG PERSONS ACT

Hon. Douglas Peters (for the Minister of National Revenue) moved that Bill C-11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act, be read the third time and passed.

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, as I am sure every member appreciates, smuggling is both a serious and complex problem. It threatens our economy and the health of young Canadians.

Government Orders

Bill C-11 plays an important role in the fight against smuggling and in protecting the health of young Canadians.

We know that the Prime Minister's four point, anti-smuggling initiative announced on February 8, 1994 is having a positive impact in the fight against tobacco smuggling. Cigarette exports have plummeted. These exports represented the major source of smuggled products.

However, we need to maintain the momentum we established with the government's anti-smuggling initiative. The decisions by Quebec, New Brunswick, Ontario, Prince Edward Island and Nova Scotia to lower their tobacco tax rates and work within the Prime Minister's anti-smuggling framework are very encouraging.

Bill C-11 deals with the legislative changes we need to make to give our law enforcement agencies the flexibility and tools they need to fight the smuggling problem in its entirety. The proposed amendments to the Excise Act will allow the government to designate other Canadian police forces as appropriate with the authority to enforce certain seizure related sections of the act.

For example, section 88.(2) of the Excise Act provides an officer with the authority to seize vehicles that have been or are being used for the purpose of transporting contraband. As well, subsection 163.(3) will allow an officer to seize contraband spirits in any vehicle used to transport contraband spirits.

These powers have always been available to the RCMP. With Bill C-11, however, we can now extend these powers to other Canadian police forces. In particular, Bill C-11 allows us to respond to requests from Ontario and Quebec for additional powers for their provincial police forces.

In addition to this measure, Bill C-11 includes an amendment that will allow these law enforcement agencies to immediately destroy seized contraband without hindering the ability of authorities to bring criminals to successful prosecution.

(1015)

This measure will provide our law enforcement agencies with increased flexibility in dealing with the smuggling trade without jeopardizing prosecutions. It will also save taxpayers over \$200,000 a year in storage costs. This figure represents savings only to the Department of National Revenue. It does not include amounts to be saved by the RCMP.

An amendment to the Excise Act will also require individual cigarettes to be stamped. This measure will enable our law enforcement agencies and all law-abiding Canadians to more easily identify contraband tobacco products.

Under an amendment to the Tobacco Sales to Young Persons Act, Bill C-11 would also ban the importation of tobacco products by persons under the age of 18. This amendment will help to protect young Canadians from accessing tobacco products from outside the country.

Government Orders

In short, Bill C-11 will help us crack down on smuggling. It will help us break the criminal networks that control the smuggling trade. It will help to protect the health of young Canadians and it is enforceable.

Finally, when we deal with smuggling we also address the underground economy and the problems it creates. Bill C-11 promotes greater co-operation between governments. We are better able to address the challenges we are facing and do it more efficiently by working together.

In closing, I want to highlight an observation that I made during the debate on Bill C-11 in the House and in committee. It appeared to me that all sides of the House agreed on the need to strengthen the anti-smuggling powers of our law enforcement agencies and on the need to protect and educate young Canadians on the dangers of tobacco. I believe that my statements here today have shown this government's commitment toward resolving these problems.

In the House of Commons on February 8 the Prime Minister stated that we must act to eliminate smuggling to protect the health of young Canadians and to restore respect for the law. Bill C-11 plays an important role in accomplishing these objectives.

I hope members of this House will act together to support this bill.

[*Translation*]

Mr. Gérard Asselin (Charlevoix): Mr. Speaker, it is with pleasure that I rise today to speak on Bill C-11, An Act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

I congratulate the government on finally living up to its responsibilities and bringing in amendments so that the Act can be applied more effectively. Unfortunately, it seems that the government has decided to tackle the serious problems caused by cigarette smuggling on the backs of the manufacturers and retailers.

Instead of applying the Act to the letter and having goods seized and offenders arrested, on Indian reserves among other places, the government has opted for dissuasion and retaliation against honest citizens. The Prime Minister himself has admitted that he had difficulty getting the Act applied.

Under the weight of public pressure, the Minister of Health, the Hon. Diane Marleau, the same one who gave her word that taxes on tobacco products would not be lowered, had no choice but to give in. You have to admit it is sad to see that the current government seems to prefer protecting criminals who break the law to concerning itself with the health of Quebecers and Canadians.

Despite that, there are some good provisions in Bill C-11, although some others ought to be amended. I am going to use the few minutes at my disposal to discuss these provisions with my

fellow members here in the House. The bill contains the following amendment to section 7.1(1) of the Tobacco Sales to Young Persons Act: "No person shall sell or offer for sale cigarettes unless they are sold or offered for sale in packages containing at least 20 cigarettes per package".

(1020)

It should be noted that packs of less than 20 cigarettes are primarily bought and consumed by young people. You might be inclined to think that the purchase of cigarettes by young people would now drop significantly, except that the government has just lowered the tax on cigarettes, which could have the opposite effect to the government's stated goal, thus making it easier for young people to get access to tobacco products.

This brings me to what it costs young people to smoke. Although some young people have a bit of work, often at the minimum wage, they are not rich, and so it is to be hoped that they will decide to stop smoking and invest their money in something more constructive. This may be a hollow hope, since it was estimated in 1989 that 90 per cent of young Canadians aged 12 to 19 years of age smoked every day. The total volume of purchases by this segment of the population represents \$436 million.

You will agree that this is a huge amount of money: \$436 million gone up in smoke—if you will allow me a small pun—especially when 40 per cent of young Quebecers were living below the poverty line in 1990. My figures are a few years old, but the situation has hardly changed.

Equally appalling is the fact that adolescents are starting to smoke younger and younger, a situation that alarms me very much indeed. I know what I am talking about, because one of my own children is 12 years old now, and I am sure that I am not the only member of this House to be confronted with this harsh reality. You can try your best to persuade them not to smoke, but at that age young people often succumb to peer pressure. Moreover, it is often before the age of 17 that dependence on cigarettes develops, and the older you get, the harder it is to break the habit.

According to Health and Welfare Canada, 38,000 people die each year of illnesses directly or indirectly related to tobacco use. And what about the years of diminished productivity caused by inability to work thanks to tobacco-related illness? The amounts that have to be paid out by the government—and that means by you and me, through our taxes—for leave and health care are enormous.

Another aspect of the bill that perplexes me is the control of the age restrictions on people who want to buy tobacco products. It is commendable to make access to tobacco products more difficult for the young. One of the provisions in the bill prohibits vendors from selling tobacco products to anyone under the age of 18, on pain of fines or imprisonment. The problem I see with this clause is that of controls and application.

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The government says controls will be tighter, since some 300 Health Canada inspectors will be responsible for ensuring that the legislation is applied to the letter. If these amendments are applied in the same way as those governing the sale of alcohol to minors, we are entitled to wonder about their relevance. We all know how easy it is for young people to obtain alcohol from unscrupulous vendors. You have only to visit any corner store in Quebec to realize that.

To follow up on what I have just said I would now like to speak about the fines that vendors would have to pay for selling tobacco products to minors, and manufactures for packaging cigarettes less than 20 to a pack.

The amendment that the bill proposes to section 7.2(1) of the Act would make anyone convicted of selling cigarettes to a minor liable, on summary conviction, to a fine of not more than \$2,000 or a prison term of not more than six months.

(1025)

You will agree with me that \$2,000 is not a lot of money. In my opinion, the fine should be a little stiffer, to give the bill more teeth. On the other hand, the fines by the cigarette manufacturers will probably have a strong deterrent effect since they range from \$100,000 to \$500,000 and from six months to two years in prison.

In my opinion, education about the dangers and the cost of smoking, among both young and old people, is still one of the most effective ways of eliminating the problem of tobacco use in Canada—on condition, though, that the messages conveyed are relevant. Unfortunately, the government's publicity campaigns put forward in recent years by Health Canada are far from having had the desired effect. In the opinion of young people themselves, those campaigns did not get their attention. Instead of telling them that it is stupid to smoke or that their friends will drop them if they keep on smoking, we should show young people what really happens when people smoke.

In closing, I shall address the point of view of the tobacco product manufacturers and retailers concerning Bill C-11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

The cigarette manufacturers have agreed to stop manufacturing packs containing fewer than 20 cigarettes, and the retailers have agreed to stop selling them. However, the time allowed by the government to sell off that stock is too short, in the opinion of the manufacturers, distributors and retailers. Stopping the production of packs containing fewer than 20 cigarettes will entail considerable costs.

Nor is taking packs containing fewer than 20 cigarettes off the market right away justified: these products are not faulty and have no manufacturing defects.

Another point that should be noted is that whether the distributors and retailers have packs containing fewer than 20 cigarettes in stock depends, essentially, on their sales in the past, when these packs were legal. A retailer who had ordered a large quantity of packs containing fewer than 20 cigarettes but had not sold many of them would need more time to sell off that stock.

Nor should we forget that the cigarette companies will have to remove all machines that distribute only packs containing fewer than 20 cigarettes, a move that also entails costs.

For all the reasons I have just mentioned, we in the Bloc Québécois ask the government to extend the deadline for manufacturers, distributors and retailers so that they may sell off their stock while suffering as few losses as possible.

In conclusion, I express the wish that the amendments to Bill C-11, An Act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act, will be strictly enforced and will help eliminate smoking, particularly among young people.

[English]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I want to make a few remarks in the third reading of this bill.

It has been a number of months since Bill C-11 was first debated in the House. During second reading of Bill C-11 in February the Reform Party used the opportunity to discuss and debate all the changes proposed by the government as a part of our national action plan to combat smuggling, particularly our opposition to the tax reduction on cigarettes. That was our main concern.

I wish to make it clear that while Reformers support the changes to Bill C-11, we are still opposed to the tax reductions on cigarettes which were recently introduced in Bill C-32.

(1030)

Yesterday we introduced an amendment that would make it more difficult for young people to obtain chewing tobacco. We have grave concerns in that regard. We appreciate very much that the government listened. At this time it is not going to implement the amendment, but we appreciate its openness and acceptance of the idea.

Bill C-11 will improve enforcement under the excise and customs acts by giving the government the authority to allow police forces other than the RCMP to enforce specific provisions. Provincial and municipal forces can be designated with the authority to seize alcohol or tobacco, to seize vehicles used

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to transport contraband, and to seize equipment used in illicit activities. Reformers support these increased enforcement measures.

Bill C-11 provides for the immediate destruction of certain seized goods, primarily tobacco and alcohol. Currently these goods would have to be kept for one month. It is estimated the measure would save taxpayers \$200,000 per year in storage costs. Bill C-11 also provides for compensation to be paid to a person who is entitled to have the seized goods returned but the goods have been sold or destroyed.

Reformers have some concerns about this provision because it is not completely clear to us whether the person would get the fair market value of the goods if the goods were sold. I am referring to subsection 9(3) which states that if it is not possible to return them "the person shall be paid (a) where the goods were sold the proceeds from the sale".

Our concern is that the proceeds from the sale may not be the fair market value for the goods, vehicles or equipment sold. While we have some reservations concerning compensation for seized goods that have been sold or destroyed, Reformers still support the new provision.

Bill C-11 will also amend the Excise Act in order to require individual cigarettes to be clearly stamped to indicate that excise duties have been paid. This will make it easier for everyone to identify those persons who are smoking contraband tobacco products.

The Canadian Cancer Society still believes that individual stamping of cigarettes may not be visible enough and has recommended that Bill C-11 be amended to make it possible to require tobacco manufacturers to produce cigarettes with different coloured paper. If individual stamping does not prove to be effective, certainly a different coloured cigarette would be more noticeable. While Reformers support the amendment proposed by the Canadian Cancer Society, we will still support Bill C-11.

Just as an aside, I think it would be an interesting research project to see what effect black paper would have on the outside of cigarettes rather than white paper. It would be an interesting research project for someone to do some time.

Bill C-11 also amends the Tobacco Sales to Young Persons Act by raising the legal age of purchase to 18 years and prohibiting the sale of so-called kiddie packs. The amendment will make it illegal for tobacco vendors to sell kiddie packs and make it illegal for tobacco manufacturers to package cigarettes in packages containing fewer than 20 cigarettes.

There has been some concern by tobacco manufacturers about the cost and the timing of the implementation of the amendment, but Reformers believe it is not a major issue. The health of young people is more important and we support the government's amendment.

I wish to remind the government of the comments made by the hon. member for Wild Rose in the House on February 22. I should like to quote them at this time: "Stopping the so-called kiddie packs is one thing that is excellent about this bill. The only problem is that we will not have to worry about kiddie packs any more because now they can afford the 25 packs".

This statement illustrates a real concern about the government's national action plan to combat smuggling. The tax reduction on cigarettes has made cigarettes more affordable for everyone, especially young people. We just do not know how many thousands of people will start smoking or start smoking more as a result of the tax reduction on cigarettes. Consequently we do not know how much the government's action plan will cost taxpayers in increased health care costs. This is a major concern for us.

(1035)

Our concerns were confirmed when the Parliamentary Secretary for the Minister of Health appeared before the Standing Committee on Finance on June 7 and advised that the government's goal was "to reduce the demand for tobacco, the number one cause of preventable death in Canada. It is the number one cause of preventable death". She went on to say: "The government fully recognized that the action plan to combat smuggling and the tax measures associated with it would pose health risks".

It is inconceivable to me how the government could rationalize those two statements. It recognizes the problem and it recognizes that what it has done will compound the problem. I think this needs to be addressed.

In conclusion, once again I express our support for Bill C-11, as amended, even though we oppose the government's tax reduction on cigarettes. Reformers look forward to the real debate on the government's national action plan to combat smuggling when Bill C-32 comes back to the House from committee.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to take but a few minutes to say a few words on the bill.

As the member of Parliament who has the honour and privilege of representing Glengarry—Prescott—Russell, and more particularly Glengarry for the purpose of this conversation, I would be remiss if I did not take a few moments in the House to express my gratitude to hon. members for supporting the legislation.

Unless members have actually seen what it was like in and around Cornwall, Ontario, at this time last year they really cannot have an appreciation of how big and how serious the issue was for our government. It was obvious to the previous government that the problem would never go away on its own and that very drastic measures needed to be taken.

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I remember around this period last year receiving telephone calls in my constituency office and in my Ottawa office virtually every day from people who were telling me: "Last night there was a van parked in my driveway along the St. Lawrence River when I got home. People were loading cigarettes right in my yard". I remember people telling me: "I was sitting on the veranda. A boat came up to my house and just stopped. A van wheeled in and they unloaded cigarettes and in 10 seconds flat they were gone. They had unloaded a cargo in my yard before my very eyes in the daylight". I remember constituents telling me how the smugglers would shoot their guns to frighten them into their homes so that they could continue their illegal activity.

We saw all of that in my riding. We saw it for a long time. We saw that kind of illegal activity going on. We also know how all of it was run by organized crime, or at least the great majority of it. This was no cottage industry for a few local people. No, it was way beyond that. I am sure deep down inside all members know this as well.

To pretend that simply applying an export tax to tobacco would solve this problem is wrong, and I think members know it. To pretend that changing the colour of the cigarette and making it obvious that anything not that colour is contraband would solve the problem is also wrong. People were proudly displaying, otherwise law-abiding Canadians, in their pockets cigarette packages that were strictly made for the contraband market.

(1040)

I will never forget the day when I found a package of contraband cigarettes beside a dumpster near the West Block and I brought it to the attention of the House at that time.

We all knew the contraband market was everywhere. Changing the colour of the barrel of the cigarette, plain packaging or a few other measures like those simply could not work on their own. We needed an all encompassing plan. As the centrepiece of that plan we required a reduction in cigarette taxes.

[Translation]

And that is the only thing that makes the plan work. Without that main element, without that cornerstone, nothing would have worked, and parliamentarians know it.

My colleagues in the Bloc know it perhaps better, certainly a bit better than the Reform members, because Quebec and eastern Ontario were affected by the smuggling much more than were some other regions.

But the country was not spared, not in the east, not in the west, or anywhere else. We heard about major seizures, even in cities like Edmonton. Mr Speaker, you heard about them yourself: seizures of smuggled goods worth millions of dollars. So, that we know.

[English]

The announcement by the Prime Minister came on February 8. I conclude by reading a bit from an article in the *Standard Freeholder* of February 16, eight days after the government announced its plan. That was barely enough time for smugglers to liquidate their stock of illegal cigarettes. Yet eight days later the following story was on the front page of Cornwall's daily newspaper, the *Standard Freeholder*:

Smuggling is down to a trickle. The volume of black market cigarettes moving through this region has dropped significantly since the federal government's crackdown on smuggling began one week ago today.

OPP Det. Inspector Chris Lewis said police have seized some smuggled smokes since the federal anti-smuggling plan went into effect last Wednesday. But the volume of contraband seized in the past week has "been quite a bit less" than the police had been accustomed to seizing in a seven-day period.

Lewis, with the Anti-Smuggling Task Force in Cornwall, could not give specific figures, but he did attribute the slowdown to the stepped-up police enforcement.

Snowmobile activity on the river has slowed down as well. Lewis said during the week there was a lot of activity from mainland U.S. to Cornwall Island but very little between Cornwall Island and mainland Ontario. This too he attributes to the stepped-up enforcement.

Then there is the quote from then Grand Chief of the Mohawk community of Akwesasne, Mike Mitchell, who said: "If there is anything moving it is just a trickle".

[Translation]

In eight days, the plague that had stricken my constituency had been eliminated: eight days.

[English]

My constituents experienced in a free and democratic society not even being able to leave their homes to go outside in their own backyards without being threatened by gunshots. This was not in Sarajevo, not in Mogadishu and not in Rwanda but 50 miles from Parliament Hill. That is what my constituents were subjected to. That is what they had to live through for a long period of time.

To anyone who tells me that these high cigarette taxes should be reimposed like I heard yesterday I say: "Do not try selling that policy in Glengarry. Do not try selling that policy to the millions of Canadians who know the illegal activity that went on and the fact that otherwise law-abiding Canadians by the millions were no longer respecting that law".

(1045)

The social contract had broken down, not the Bob Rae social contract but the Hobbesian kind, that rule by which we all agree to respect the laws of this country. That rule no longer existed as it pertained to taxes on cigarettes. When society decides collectively that the rule no longer exists, it ceases to exist. That is the reality.

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Yes, we could bury our heads in the sand and say "Oh, no, no, we could have hired six more policemen to patrol a 4,000 mile unprotected border and that would have fixed it".

Mr. Harris Hire as many as you need.

Mr. Boudria: Yes, right. Members across say hire as many as you need. The deficit reduction bunch across the way say yes, hire as many as you need.

Do you know how many police officers it would take to patrol the Canada-U.S. border if you had one per kilometre? It would take around 6,000 of them three shifts a day, seven days a week, just to patrol the border if you had one every kilometre. That is how idiotic that kind of a solution to the problem is. No, that was not the solution.

A letter signed by the person in charge of the RCMP, Norman Inkster, was tabled in the House. It stated that it was not the solution and that there was only one solution left. Two years before perhaps there could have been other solutions, but it was too late. Now we had to take the drastic action taken by the Prime Minister.

On behalf of all of my constituents, those who lived through that sad period of time, those who had their lives threatened and those people who are no longer with us because they were killed in the process, I want to thank the government for doing the right thing.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I listened very closely to the what the member had to say. I appreciate the fact that the government can act decisively when it chooses and it can drag its feet when it chooses.

I have a couple of comments and I hope the member will respond to them. He described how tobacco products were being brought in and smuggled right through people's yards and so on. When the taxes were reduced, of course there were no more tobacco products being smuggled. Now the problem is alcohol and guns according to my understanding.

If organized crime is the problem, why was that not dealt with? We have simply given them something else to focus on because it is no longer profitable to deal with tobacco and cigarettes. The problem in Manitoba demonstrates that. This reduction in taxes only made organized crime turn to something else.

Enforcement could have been tried. We could have worked together with the American authorities. We could have had an export tax. There are other avenues that could have been pursued.

Now the smuggling goes on between provinces. We have only shifted the problem into other areas. The government did not get to the root of the problem with organized crime so it is now turning to other things. I am very curious to know what the

decisive action of the government will be in this regard or whether it will drag its feet on this.

Mr. Boudria: Mr. Speaker, first of all about this dragging of one's feet, nonsense. This government was sworn into office in November. The initiative was announced on February 8, only a few days after Parliament was recalled. I asked for three years in the previous government to do something. I asked this new government, three weeks and it was done. This dragging of the feet allegation is sheer and utter nonsense. The member knows it.

(1050)

In terms of anti-smuggling, obviously the 25 per cent increase in the police force was not just for tobacco smuggling. As I indicated to the member, it was not just a reducing of the taxes. It was the centrepiece of the program. Other things were done as well. The member alluded to some of them, but those things on their own could not work according to the RCMP and according to the people of my riding unless you included that centrepiece which was the reduction of taxes.

The member talks about the smuggling of arms and the smuggling of liquor and so on. First, how does the member think we are catching these people now? It is because we have increased the number of police that we have. Because we no longer have that scourge of tobacco smuggling we can concentrate our efforts elsewhere. Otherwise we would not even know the problem was there. That is how it came to our attention.

Finally, the smuggling of arms and the smuggling of liquor is not done in the same way as tobacco smuggling. I could sit down with the member and describe to him how some of these things occur. There is a link but it is not nearly as direct. You do not smuggle liquor on snowmobiles in the winter or on boats across the river at Akwesasne, at least not generally.

The liquor is smuggled largely by tanker cars, false bottoms and things of that nature. Furthermore, a lot of the liquor is smuggled for institutional use as opposed to domestic use. It is smuggled in large barrels and containers. It is then emptied into smaller bottles by hotel and bar operators and so on and used in that way. It is not the same as the problem of cigarettes where society was probably displaying a smuggled pack. It is vastly different.

On the gun issue, there are many differences again where guns are smuggled on the bottom of trucks. Containers are fastened to the underside of trucks as they cross the border and things like that. I am told the same applies to railway cars, that sort of thing. It is a vastly different network.

Finally, on the issue of liquor, if I can just go back to that point, liquor taxes are not federal taxes. The member would know that as well. Between 80 per cent and 85 per cent of liquor taxes are provincial. They are not federal taxes. The solution

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could not be the same even if it were advocated and of course it is not in any case.

Mr. Breitzkreuz (Yorkton—Melville): What about the tobacco smuggling issue between provinces?

Mr. Boudria: On the issue of tobacco smuggling between provinces, perhaps I was not paying close enough attention. I had not recognized that question as being part of his series of questions that he asked. I apologize for that.

On the issue of tobacco smuggling between provinces, the member would know that it is the responsibility of the provincial government to ensure that the provincial taxes in the respective jurisdictions are adhered to. The difficulty there is that many provinces saw that the appropriate way to go was to co-operate with the federal government in an effort to reduce the smuggling. They did so. It is thanks to those provinces that we managed to get rid of the problem that we had.

I say to the House, let us not forget that it is estimated that 80 per cent of the tobacco smuggling in Canada was coming into the country through my riding. One million dollars a day in illegal money in my riding alone, 1,000 cases smuggled a day at \$1,000 a case. There was \$1 million a day that went through the underworld.

I congratulate the government again for having put an end to that.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, as I sit here and listen to the hon. member's rationalization of this government's soft position on criminal justice and a stricter law enforcement, I have some serious questions.

The hon. member said that the party opposite, meaning us, talks about deficit reduction and yet is willing to spend more money on law enforcement issues and the hiring of more staff. This party campaigned on increased spending and criminal justice.

(1055)

The member opposite has taken what was essentially a criminal problem, a problem of breaking the law. Smuggling is not a taxation problem. It is a problem where people were breaking the law. This government refused to send in the necessary police forces to control it.

This member just told us that a million dollars a day in tobacco products was coming across the border. That is a huge amount. I would suggest to this member that if they had been willing to go to the source, to the territory where that smuggling was taking place, which they were not, with the appropriate law enforcement people that that could have been curtailed.

There is no way that one can rationalize that a million dollars a day worth of tobacco products is just simply too hard to find for the police and the cost would be too great. What about the

cost that is going to be incurred by the health of this country with the increase in smoking? It will increase because now the price of cigarettes is affordable.

This government has refused to take a hard stand on criminal justice and has refused to enforce the laws to take necessary action to control crime in this country. It is typical of the Liberal philosophy that no individual is responsible for crimes they commit. It is society to blame.

Mr. Boudria: Mr. Speaker, the member across did not major in geography. To say that one could actually design the patrol of that area and actually get rid of the problem that way, clearly indicates a lack of knowledge in that regard.

I say to the hon. member to come with me to the area and he will understand. We hired RCMP additional officers. It takes approximately eight months to a year before they are actually over there doing that kind of thing once one they have been trained.

Did he want a million dollars a day for another year in illegal money to be made while we did that? I did not want to see that illegal activity, my constituents being shot at for another year, no. I wanted action, tough action, immediate action. I wanted protection for my constituents and we got it thanks to this government.

Mr. Harris: Mr. Speaker, the hon. member has apparently forgotten that this country has a well equipped armed forces that could have been used in that situation.

This government is trying to define a role for the armed forces. Here was an excellent example of a role that the militia of this country could have played. The army could have been sent in to control this situation. Yet, it refused to do that. Why?

I am inclined to think it is because of where the problem was happening. There were other issues involved here and this was an area that this government did not want to touch.

Mr. Boudria: Mr. Speaker, I understand I have only a few seconds left.

The member is advocating a military intervention at Akwasasne and outside of Akwasasne in an area some 40 miles long on the Canada-U.S. border. That may be the hon. member's idea on how to have laws respected. It is not mine. Heaven forbid that we would undertake an issue like that.

The other thing it would involve effectively is militarizing the Canada-U.S. border. The member knows how porous the border is and to shift an issue one mile either way is not very hard. I say to the member that unless he has seen the area, unless he knows how to get in and out of that area, unless he knows that smuggling had reached such proportions that in the spring it was even occurring by helicopter, how can he say that we should have sent the army to patrol the Canada-U.S. border?

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No, not on the Canada–U.S. border and least not in my riding and least not again at Akwasasne. Nowhere will that be done if I have anything to do with it.

(1100)

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

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

* * *

**SPLIT LAKE CREE FIRST NATION FLOODED LAND
ACT**

Hon. Raymond Chan (for Minister of Indian Affairs and Northern Development) moved that Bill C–36, an act respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land, be read the second time and referred to a committee.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

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

[English]

Mr. Speaker, I would like to address the House on Bill C–36, the Split Lake Cree First Nation settlement agreement. Before I do so I would like to make some general comments with regard to what the government is trying to do to assist aboriginal people to get to a point where they can get more control over their lives.

I would like to go back to some comments that were made last week by an hon. member. It says here: “You do not have to stir the wood in the stove in order to cook meals. Instead of having to tend a garden in the summer you just buy the food from the supermarket”.

I just came in from my hometown of Repulse Bay yesterday, which is right on the Arctic circle. I was out seal hunting, along with a lot of the people of my hometown who were out seal hunting for their food. They were not going to the grocery store to buy their food. They were going out to hunt the food.

I do not think the remark that was made is quite correct. I really did not see any people who were staying home because they felt lazy. Even when they were very tired they went out hunting.

As a result of these comments some may be thinking that aboriginal people must be lazy, wearing sun glasses and Bermuda shorts on some island. When we talk about bills like this, and we are trying to correct some wrongs, we do not want to give the wrong impression to the people of Canada.

One of the first remarks that a constituent of mine from Iqaluit made to me yesterday was: “We should invite that person from the Reform Party to come up in February with sun glasses and Bermuda shorts and we will go to some island”. I think there was a similar invitation from the chief of the Opaskwayak Cree Nation yesterday.

The Acting Speaker (Mr. Kilger): A point of order, the hon. member for Athabasca.

(1105)

Mr. Chatters: Mr. Speaker, I am listening to the speaker talk about an issue that I believe was dealt with and settled in this House some time ago. The debate on this bill concerns the flood management—

The Acting Speaker (Mr. Kilger): Order. With all due respect to the hon. member, he does not have a point of order. It is a matter of debate and so I would ask the parliamentary secretary to continue his intervention.

Mr. Anawak: Mr. Speaker, I was commenting on what we are trying to do as a government to help the aboriginal people. I make these comments because of comments made last week in the House and I think the hon. members from that party could learn an awful lot if they would just listen.

I will quote some more: “I do not know the answer to the native communities and the problems which persist”. It should be fairly obvious that if the hon. member could keep the people thinking that he is ignorant of aboriginal issues and kept silent instead of opening his mouth and proving it, then we would all be much better off.

In the debates when we are trying to do as much as we can to ensure that aboriginal people have a rightful place by righting some of the wrongs that have been done over the years, the members opposite would like us to go back a further 100 years and just say it is not your land. We do not have to help you. You should be on your own. We are not asking for that kind of help. We are asking for righting some of the wrongs that have been done over the last 200 years. We have resided in this country for 40,000 years.

I would like to go on to the bill to address the Split Lake Cree First Nation's flood agreement. As hon. members are aware, this is a very short bill. It is nonetheless an important bill because it ensures that certain commitments of the Government of Canada will be met. I would like to explain why it is before the House.

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In 1977 the northern flood agreement was signed by the Governments of Canada and Manitoba, Manitoba Hydro, and the northern flood committee which represents five Manitoba First Nations.

It was intended to resolve a number of issues that arose after 11,861 acres of reserve lands were flooded by hydro related projects on the Churchill and Nelson Rivers. This project also flooded up to 528,000 acres of non-reserve land, much of which was traditionally used by the affected First Nations for hunting and trapping. The affected waterways were used as a source of drinking water, for recreational pursuits, for food and commercial fishing, and for transportation.

The northern flood agreement sets out a compensation program to the more than 9,000 status Indians adversely affected by the Lake Winnipeg regulation and Churchill River diversion project.

Unfortunately the northern flood agreement has been very difficult to implement. Its vague and inadequate wording, along with its failure to anticipate all the issues that have arisen, have led the parties to seek arbitration on many points.

A total of 172 claims have been filed and this has occurred at a great expense to taxpayers. To resolve these problems, in July 1990 the four parties agreed to a proposed basis of settlement for addressing outstanding issues under the northern flood agreement.

This new accord approved a long list of matters to be resolved and provided a basis for band specific negotiations relating to them.

(1110)

The only such negotiations to be completed to date involve the Split Lake Cree First Nation. An agreement was signed with this First Nation in June 1992 and it is now being implemented with no significant problems.

In addition to providing financial compensation to this First Nation, the settlement agreement increases socioeconomic opportunities for the Split Lake Cree and releases Canada from further obligations to this First Nation under the northern flood agreement in return for compensation provided.

The Split Lake Cree settlement agreement includes a commitment by the Government of Canada to implement certain provisions of the agreement through legislation. This is what Bill C-36 sets out to do. It does not give force to the Split Lake Cree settlement agreement. This agreement has its own legal force and is already being implemented.

It does not include commitments by the Government of Canada which have not already been made by the agreement itself. It does not make any grand promises to aboriginal people and it does not make any new demands on the federal purse. Bill C-36 simply ensures that the government lives up to one of its

commitments to aboriginal people. That is something that all Canadians and all members of the House would want to do.

Bill C-36 will achieve four specific objectives. I would like to quickly review them for the House. First it provides, as intended by the agreement, that moneys owed under the Split Lake Cree agreement are not payable to the crown. This means these payments will not be considered Indian moneys under the Indian Act. This is very important for a couple of reasons. First, it means that the moneys paid under the Split Lake Cree agreement will be administered by a trustee at the direction of the First Nation, rather than by the Department of Indian Affairs and Northern Development.

Not only does this reduce our administrative burden but it also gives the affected band much greater control over these moneys than it would have over Indian Act moneys. It also removes a potential source of friction between the Split Lake Cree and the Department of Indian Affairs and Northern Development over the management of its money. This is strictly in keeping with our objective of empowering First Nations to set their own destiny.

The second thing Bill C-36 does is clarify the status of fee simple lands owed to the Split Lake Cree First Nation. Specifically, the legislation ensures, again as intended by this agreement, that 2,800 acres of provincial crown lands that are provided in fee simple title will not become special reserves under sections 35 and 36 of the Indian Act.

The objective is to give the Split Lake Cree more control over the use and management of their lands, including any future potential development than would be possible if they were reserve lands. This stipulation means that the Department of Indian Affairs and Northern Development will not have the responsibility for these lands, along with the related costs and administrative burdens.

Third, Bill C-36 ensures that individual band members can continue to make certain claims against Manitoba Hydro under the northern flood agreement. However, settlement or adjudication processes set out in the band specific agreement will have precedence over the process included in the northern flood agreement, which as I mentioned earlier, is cumbersome and costly.

Bill C-36 ensures that the Government of Canada can utilize the Manitoba Arbitration Act when matters are in dispute under the northern flood agreement. Currently Canada is the only party to the agreement that does not have access to these arbitration mechanisms.

I want to assure hon. members that Bill C-36 was developed in full consultation with the Split Lake Cree. The four northern flood agreement bands that have not yet signed settlement agreements will not be affected by the proposed legislation, which is band specific and deals only with the Split Lake Cree First Nation.

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As well, the province of Manitoba and Manitoba Hydro support the bill, as it simply implements some provisions of an agreement that was signed three years ago. Hon. members should also be aware that the province of Manitoba is now in the process of drafting companion legislation to Bill C-36.

(1115)

The Split Lake Cree settlement agreement has provided an important new beginning for this First Nation. It has given them control over their own future and the resources needed to support their socioeconomic advancement.

This House is being asked to help fulfil all of Canada's commitments under that important agreement. I urge hon. members to join me in supporting Bill C-36. In so doing we will send an important message to aboriginal people, a message of action, commitment, partnership and respect.

[Translation]

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, I would like by way of introduction to note that living conditions in the territories covered by this agreement, like those in many parts of Canada's North, are in no way comparable to those of South Sea islands. This needs emphasis, because in these territories the temperature can drop to 30 or 40 degrees below zero. It is often sunny, and you do have to wear your dark glasses, but bermuda shorts and sandals are not recommended. I have been there myself, and I can tell you that I was very happy to have my heavy parka, because even all bundled up I was very cold. So bermuda shorts were quite out of the question.

So living conditions are very difficult there. The cost of living is very high, as well. That has to be borne in mind, because I think it's important to set the scene before we zero in on the bill, so that we understand why the bill is important. I was very surprised to find that three litres of milk, for example, cost about \$11 there.

I would also like to invite my colleagues to listen to me on Thursday afternoon, because I am going to table in this House a motion dealing with this very question of food distribution in the North, setting out and demonstrating clearly and in detail that it is in Canada's best interests to ensure that food is distributed more cheaply. Many of the families there pay up to 100 per cent of their income for food alone. So not only is life hard, but the cost of living is extremely high.

As for working conditions, in the rest of the country we talk about the unemployment rate; there they talk about the employment rate. The First Nations north of 60 are often said to have an employment rate of 20 per cent. While we are indignant because we have an unemployment rate of 20 per cent, they have an employment rate of 20 per cent, which means an unemployment rate of 80 per cent. So of course they are dependent on government social programs. There are certain things in this bill that I

have reservations about, but it is a step in the right direction, toward helping them regain control of their future.

As is my custom, I would also like to put these people's past in perspective. It is, I believe, important for seeing how the new situation fits into the old. The name "Cree", like certain others, probably comes from a French word. When the Europeans came in contact with the Cree about 200 years ago, they called them the "Cristinois". The word "Cree" probably derives from that.

Five hundred years ago the territory occupied by the Cree was extremely vast. It stretched from the eastern shore of James Bay along the rivers that run north into the Bay to the northern tip of Lake Winnipeg. Pottery has been found that marks the Crees' travels through that territory almost 1,000 years ago. Here again is evidence that the first occupants of this land were not Europeans at all but aboriginal inhabitants. Their traces go back 1,000 years.

By some estimates there were 15,000 people speaking Cree at that time, and today there are about 11,000. I will talk about that a little later. The plural form "Creese" sounds rather like the French word "crise", meaning crisis; I trust there is no connection, and I do not think there is.

(1120)

Cree women were noted for their traditional embroidery, made with moose and reindeer hairs. Those are other traces they left in their territory.

Having read up on the Cree, I can tell you that they were regarded by the first Europeans as spirited people, very attractive, good at getting along with others, great admirers of eloquence. They would certainly have been at home here. I do not know whether my hon. colleague has any Cree ancestors, but he is certainly eloquent. Native people as a general rule do appreciate eloquence, so he is in his element in the House of Commons.

I would now like to move quickly to the bill that is before us at this time. In 1977, Manitoba Hydro decided to flood 11,861 acres of land belonging to the Cree, about 10 per cent, by the by, of their territory. The flooding completely destroyed the traditional trapping and hunting territory. Finally it was realized that an agreement had to be reached with the Cree.

As I mentioned earlier, there are now 11,000 Cree living in five bands on the land in question. I will name them because I think we are coming to the nub of the difficulty; we will not be able to give the bill our full support and the question will have to be referred to committee. There are five bands involved. The agreement is with the Split Lake Cree First Nation but there are other First Nations affected by the agreement and they are the Cross Lake, the Nelson House, the Norway House and the York Factory First Nations. These four other First Nations will be indirectly affected by the bill. I think this point ought to be clarified.

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In 1977, an agreement was reached with the Northern Flood Committee. The Northern Flood Committee is made up of the five First Nations I just listed. Manitoba Hydro, the government of Canada and the Northern Flood Committee reached an agreement, but many matters were left unresolved in that agreement, among them the question of what form compensation for the flooded land would take. Perhaps employment of band members on hydroelectric projects is an option, because the bill before us today deals with compensation for which the government of Canada recognizes it has a responsibility as well as Manitoba Hydro.

At the time, people said that compensation would be paid for the flooded land, but there were ambiguities. Among other questions, how many band members could work on hydroelectric projects? How much would it cost to implement the agreement? What about environmental monitoring? These were all questions that there was no time to deal with in any depth. The result was 174 claims for arbitration. It was evident that the agreement was far from clear and was contributing to increased numbers of claims. This led to new negotiations in 1989. In July 1990, the four negotiators of the agreement relating to the flooding of land in northern Manitoba reached an agreement on settling the claims.

Unfortunately, only one band accepted the negotiators' recommendations, and that was the Split Lake band. There are 2,129 Cree registered as members of that band, but only 1,400 live on the reserve itself. I will cover the salient points of the agreement. As I have said, only the Split Lake Cree are involved. Other agreements are under negotiation but none has yet been concluded. The objective is to settle with the Nelson House band in 1994, but as far as I could tell from discussions this morning with the Northern Flood Committee, not much progress has been made in the negotiations.

(1125)

The trouble is not the financial compensation; the trouble is the water level, because in the agreement itself, Manitoba Hydro is exonerated from any responsibility if the water flows fall below a certain level. There is the trouble: below a certain level.

The Split Lake First Nation reached an agreement. However, the York Factory band, the other Indian band with direct access to the lake, is not included in that agreement, and its members are saying: "Listen, we realize you have reached an agreement with the Split Lake First Nation. But if Manitoba Hydro intends to do anything that will affect the level of the lake and if it has an agreement with the Split Lake First Nation, that will have a direct effect on us".

There is the trouble. And yet—this is something noteworthy that I must point out—the Split Lake Cree have become very skilled in water cleanup. I find it important to note that, because with very traditional, very limited means, these people have managed to set up a small, inexpensive laboratory, and they are treating the lake water. It is well known that the water in that kind of lake contains a great deal of lead and that, if you want to clean it up, there certainly is a lot of environmental work involved.

These people have become so skilled that they are setting up an exchange of information network with South American countries, including Chile, and I think that is noteworthy.

The agreement also specifies which lands are to be transferred to Canada by Manitoba and set aside as reserve lands, some with flooding rights. All that is in the agreement; the legislation simply clarifies some of those provisions. Of course, resource management and environmental monitoring are a capstone of the agreement.

As is the case in several agreements affecting the First Nations, —this is something that is of very great importance to them, as I keep repeating, because it is noteworthy—First Nations always attach a great deal of importance to the environment and consequently, where resource management is concerned and when a major player like Manitoba Hydro comes along, they often have to set up joint systems to accurately monitor the environmental effects. I think it is important that it be done that way.

I now come to the compensation fund. The compensation fund is a fund of \$20 million; a series of trust accounts will be set up and administered. That is important because, in practice, the money will not go directly into the Consolidated Revenue Fund for the Department of Indian Affairs, but will constitute a fund to be administered directly by the Cree.

Of course, there were other negotiations, on consultation and arbitration jurisdictions, because an agreement is often subject to arbitration and disputes occur, and there must be systems that ensure that these disputes can be settled. Then, Canada and Manitoba are exonerated from any obligation or claim having to do with the Split Lake Cree under the agreement. So exoneration from obligations and claims is provided for.

Bill C-36, I repeat, affects only the Split Lake First Nation. So, that means that the four other nations I mentioned earlier are not affected by this agreement, although, according to what we claim, according to the discussions we had with the main parties concerned, the bill has significant effects on the four other bands and that is why we have reservations about the bill.

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There is one statement, contained in the usual explanatory notes accompanying a bill, that this version of the bill was developed in co-operation with the five bands. It would appear that this is not the case, because I have here a document signed by the four other chiefs saying that they did not have any part in this bill's being tabled in the House and were not adequately consulted.

(1130)

Another odd thing in the explanatory notes accompanying the bill is that the English version states that there was consultation only with the Split Lake First Nation, while the French version states that all the bands were consulted. There seems to be an inconsistency there, and I think it would be worthwhile for the Committee on Aboriginal Affairs to consider the true background for this agreement.

I mentioned the \$20 million fund. I have the details about how this fund will be allocated. Of course, the Government of Canada and Manitoba Hydro are the ones paying into the fund. They have agreed on shared contributions to be spread out until 1997.

As well, at present, money is owing that came due in April 1993 and April 1994. This money owing will be paid as soon as the bill is passed. So it is important to note that Canada and Manitoba Hydro have acknowledged their responsibility concerning the flooding during the early 1970s.

Instead of going into the Consolidated Revenue Fund, the money is to be put directly into a trust account set up for the Split Lake Cree. As I was just saying, the money will be transferred as soon as the Act comes into force. Lands will also be ceded to the Cree, and a provision in the Act states that they will not be special reserves. That is important to those people. Normally certain provisions of the Indian Act should apply but, at the express request of the Split Lake First Nation negotiators, they will not apply in this case.

Provision has also been made for arbitration in the bill. Some systems are provided for, so that, in case of disagreement, the Cree and Manitoba Hydro can reach agreement under a system of arbitration.

In conclusion, I think that, like most bills that have been tabled concerning aboriginal peoples, including Bills C-16, C-33 and C-34, this one is in fact a step in the right direction. The clear intent is freedom from guardianship of the aboriginal peoples; through this type of agreement, we are freeing ourselves from it in part, by providing compensation fees and by setting up committees.

We plan to address the 80 per cent unemployment rate by giving the aboriginal peoples a chance to take charge of their lives. These are not programs applied from Ottawa. They are the

ones in charge of certain aspects of jurisdiction. That is entirely in accordance with what the Bloc québécois wanted: the dismantling of this legislation that is, to some extent, the equivalent of apartheid in North America.

I must also give high marks to those who paved the way for this type of agreement. I must mention the James Bay Agreement, a very sophisticated, very advanced agreement in Quebec that, in my opinion, paved the way for the type of agreement we have before us today and the type of bill we are considering today. Quebec is very proud to say that we gave a great deal in compensation to the Cree and that the agreement and the legislation were reached in common agreement among the Cree, the Province of Quebec, and the Government of Canada. I think that is noteworthy. Quebec has something to be proud of. The agreements like the one we have before us today will be largely based on and similar to the James Bay Agreement.

Lastly, I must tell you that the Bloc Québécois will ask simply that the bill be referred to the Committee on Aboriginal Affairs, solely because of the lack of consultation. I do not think that we are in an emergency situation, as was the case in the Yukon, where people waited for 20 years and exerted tremendous pressure for the bill to be passed before the end of the session.

(1135)

Negotiations surrounding this compensation agreement have been underway since 1977. I do not think waiting a bit longer will be catastrophic. The Bloc Québécois would be hard put to agree to the bill concerning the Split Lake Cree First Nation without taking into consideration its effect on the other four nations. Having examined the agreement and the scope of the bill, I think it does impact on the other nations. In my opinion, therefore, it would be entirely appropriate for the Committee on Aboriginal Affairs to closely assess the impact of this whole decision on the other four nations.

Therefore, we will simply propose, after second reading, that the bill be referred to the Standing Committee on Aboriginal Affairs for a closer study of its scope.

[English]

Mr. John Duncan (North Island—Powell River): Mr. Speaker, it is a pleasure to speak to Bill C-36, the Split Lake Cree First Nation Flooded Land Act.

This legislation comes as a result of a Manitoba hydro project initiated back in the 1940s. This project flooded 11,800 acres of land on five Indian band reserves. This economic development project flooded 10 per cent of the reserve lands with negative consequences for the bands at Split Lake, Cross Lake, Nelson House, Norway House and York Factory affecting their traditional activities.

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Negotiations in the 1970s to deal with the effects of the Lake Winnipeg regulations and Churchill River diversion projects led to an economic development known as the northern flood agreement. In 1977 this agreement was signed by the five bands, Canada, Manitoba and Manitoba hydro. This agreement turned out to be unsatisfactory in the ensuing 10 years due to ambiguities in such areas as reserve land compensation and social aspects including employment and environmental issues.

These uncertainties led to another agreement among the Split Lake Cree, Canada, Manitoba and Manitoba Hydro in June 1992. This agreement calls for compensation in dollars and lands and other benefits. Specific agreements with the other four bands are in the course of negotiation.

The Split Lake agreement requires the governments of Canada and Manitoba to recommend legislation implementing the agreement. That is why we are here.

Bill C-36 provides that moneys payable to the Cree pursuant to an agreement by Canada, Manitoba, Manitoba Hydro and the Split Lake Cree dated June 24, 1982 are not paid to the federal government and then administered under the Indian Act, but rather to a band trust for administration.

This bill also provides that the fee simple lands to be provided by the province to the Cree are not subject to becoming special reserves under the Indian Act. This act also provides that individual Cree as well as the band or its agents can bring certain claims against Manitoba Hydro. Manitoba arbitration law will apply in this regard.

The approval of the 1977 and 1992 agreements are not the issue here, only the exemptions and rights under the provisions.

I just mentioned that this is a unique situation concerning specific claims arising through unusual circumstances. Those circumstances are the flooding and therefore loss of reserve land for a hydro project.

(1140)

Background briefing provided by the department is sketchy in some areas and this gives rise to some questions. For example, my party is concerned with the administration of the trust fund. We would like to be sure that generally accepted accounting principles are followed and that there will be accountability.

As well we ask if fee simple lands involved in a transfer replacement here are to be held by the band collectively. If they are, can they be sold and to whom? If they are sold, who will receive the proceeds from the sale? These are operative questions and we do not have the answers. Furthermore, concerning taxation it is unclear if the fee simple lands are subject to property taxation. It would be preferable to clear up these loose ends.

The Reform Party supports legitimate native grievances and Bill C-36 addresses a grievance. We trust checks and balances were put in place in negotiations with the input and participation of the province of Manitoba and Manitoba Hydro.

The Acting Speaker (Mr. Kilger): We now move to the next stage of debate in which members will have 20 minutes for their interventions, followed by 10 minutes of questions or comments.

Mr. David Iftody (Provencher): Mr. Speaker, I rise to address the House on Bill C-36, the Split Lake Cree First Nation Flooded Land Act. I am pleased to have the opportunity to speak to this bill. I want to commend my colleague, the Minister of Indian Affairs and Northern Development, for introducing this legislation to the House.

My hon. colleague spoke briefly about the history behind Bill C-36. I would like to expand on that because I think it is important for this House to understand how the northern flood agreement impacted on the five bands in the area.

During the late 1960s and into the 1970s a number of projects were undertaken to divert the Churchill River in northern Manitoba to increase water flows to hydro stations on the Nelson River. These hydro stations were part of a scheme to support economic growth and development in the province. Indeed they have served their purpose and served it well.

Today the generating stations on the Nelson River are making an important contribution to the Manitoba economy. But a price has been paid and once again, as has been the case all too often in the past, too much of the price was paid by aboriginal people, our aboriginal people in Manitoba.

The Churchill River diversion projects flooded more than 4,800 hectares of Indian reserve lands. This flooding deprived many aboriginal communities of their traditional fishing, gathering, hunting and trapping areas. The flooding also disrupted or destroyed traditional water transportation routes and shoreline access points. In many cases personal property and community infrastructure were damaged or destroyed.

Five First Nations were affected by the flooding: Split Lake, Cross Lake, Nelson House, Norway House, and York Factory. Although these bands lost the benefits of flooded or damaged lands and resources that had supported them for many generations, they received few jobs or other benefits from these hydro projects.

Action to compensate the affected bands was finally taken in 1977 when the northern flood agreement was signed by the governments of Canada and Manitoba, Manitoba Hydro, and a committee representing the five bands. In addition to cash compensation this agreement contained provisions for land management, resource development, community infrastructure,

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navigation, and so on. It also provided for the appointment of an arbitrator to deal with claims arising under the agreement.

The implementation of this agreement has been rife with problems and created considerable difficulties for those aboriginal people involved in this process. It is safe to say that most parties had different expectations of the agreement. Few of these expectations have been fully met. Because of the vague wording on certain issues such as additions to reserve lands, employment of band members on the hydro projects, implementation costs and environmental monitoring could not be resolved.

(1145)

When it became clear that the northern flood agreement was not properly addressing these issues the five First Nations began of course to explore other options. This led to the negotiation of a proposed basis of settlement which has paved the way for band specific negotiations on the outstanding issues. Such an agreement was signed with the Split Lake Cree in June of 1992.

This agreement is important to all parties. It addresses the outstanding obligations of the governments and Manitoba Hydro in this instance to the Split Lake Cree Band. It provides for additional compensation and, in doing so, releases the federal government from any further claims. Equally as important, it provides the people of the Split Lake Cree First Nation with the means and resources to take control of their own future.

For example, this agreement ensures that the Split Lake Cree will have a more substantial and secure land base with which to pursue economic development. Over time the band will receive permits and fee simple title to more than 1,000 hectares of land throughout its traditional hunting grounds. As well, two new reserves will be established and a 46,000 square kilometre area will be co-managed by the band and the province of Manitoba.

This agreement also provides for the establishment of a band controlled environmental monitoring agency. It gives the Split Lake Cree a strong voice in how their compensation moneys will be managed.

For the information of hon. members, these moneys will be used to support economic and social development, to compensate the Split Lake Cree for the adverse effects of the flooding on their natural resource base and to remunerate the band and its members for damage to property and infrastructure.

I want to assure hon. members that Bill C-36 in no way expands or diminishes the commitments made in this settlement agreement. It follows through on some of the provisions of this agreement.

Let me reiterate what this bill sets out to do. It ensures that money under the Split Lake Cree First Nation agreement will not

be considered Indian moneys and it will therefore be administered on its behalf by a trustee and not the Department of Indian Affairs and Northern Development. I want to assure the hon. member from the Reform Party that standard accounting practices will be adhered to I am sure by the band.

It ensures that provincial crown lands provided in fee simple title will not become a special reserve under the Indian Act. It provides that any specific adjudication process that is set out in this band specific settlement agreement will take precedence over the processes set out in the northern flood agreement. It ensures that the Government of Canada can utilize the Manitoba Arbitration Act as do the other three parties in the northern flood agreement.

I also want to remind hon. members that Bill C-36 will apply only to the Split Lake Cree Band. This is an important feature. It will not apply to the other northern flood agreement First Nations which have not yet negotiated band specific settlement agreements, and we wish to respect that.

As the Minister of Indian Affairs and Northern Development has said, the province of Manitoba is currently preparing companion legislation based on Bill C-36. This provincial legislation will further protect the interests of the Split Lake Cree First Nation.

I want to thank the minister for confirming that consultations have been undertaken with the affected First Nation, with the provincial government and with Manitoba Hydro. This has resulted in a clear and concise bill that has the support of all parties to the Split Lake Cree settlement agreement.

Finally, I want to join my hon. colleagues, the minister of Indian affairs and the parliamentary secretary to the minister, in urging quick approval of this bill. It will put into place the final elements of the implementation process for the Split Lake Cree agreement. It will demonstrate to the Split Lake Cree Nation, to First Nations across Canada and to all Canadians that this government is committed to implementing its lawful obligations to the aboriginal people of Canada.

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I rise to make a direct comment on the words spoken by both the hon. member from the Bloc, two speakers previously, and the hon. member from the government House, a speaker before that.

(1150)

I want to recognize the contribution made by the Split Lake Cree First Nation and indeed all our First Nations people and remind this House that earlier in this session it was a member of the Reform Party who spoke for and argued for the rich cultural heritage given to us by our First Nations people and that therefore we must retain lacrosse as our national sport.

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Not one member on the government side or from the Bloc spoke in recognition of this rich cultural heritage in our First Nations people.

Perhaps it is time for all members in this House to stop making hurtful and unproductive comments and remarks in the House. I respectfully submit it is unparliamentary.

Mr. Iftody: Mr. Speaker, I thank the hon. member from the Reform Party for her comments. I and all members on this side of the House wish to have an intelligent and informed debate about matters as important as our first peoples in Canada, particularly when it comes to our obligations as a government to respect those rights and implement our fiduciary duties.

I would assure the member that the respect that she is suggesting regarding ongoing discussions and issues is something that we want to adhere to. I do not believe for a moment that anyone in this House wishes to engage in any kind of language that is inflammatory or hurtful, to use her words. We are quite prepared to get down to business if the Reform Party members are to see that this bill gets through with quick and speedy passage.

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, with regard to the transfer of lands, is this land to be taxed in the usual manner as land held fee simple by anyone?

Mr. Iftody: Mr. Speaker, I have to inform the hon. member that I do not have the details in terms of the taxation provisions. Certainly this is a complicated matter, something that has been discussed in a number of research and white papers, discussion papers since the 1970s.

It is a complicated matter, one that will have to be negotiated in some detail. I have not checked the exact provisions of the act on particular questions of taxation and resource based sharing agreements with the province or the federal government. I would of course agree that it is an important question and perhaps something that could be considered.

I believe that the legislation is comprehensive, that these issues have been dealt with. Certainly I would support a sound tax base, as in any local government that both the hon. member and I work with at our community levels, that tax provisions for the ongoing support services for aboriginal communities are necessary and important.

Mr. David Chatters (Athabasca): Mr. Speaker, the member assured the speaker from the Reform Party that standard accounting practices would be used in the administration of the funds that are being transferred to the Split Lake Band.

I would like to ask the member what basis he is using to give us those assurances. Is he using some wording in the agreement or the legislation to give us those assurances?

Mr. Iftody: Mr. Speaker, to provide a clarification on the taxation side, I am quite sure there will be tax provisions, sufficient provisions. In answer to that specific question, as the hon. member knows full well, the aboriginal First Nations across this country have entered into agreements and undertakings with the Government of Canada on a number of specific kinds of initiatives.

We have everything from health care services to education to transfers of welfare services to the bands. I would assure the hon. member that under almost all of those circumstances the bands have been practising good management and standard accounting practices that are reported at this time through specific kinds of agencies in the department of Indian affairs. I cannot see any reason why the band would not under these circumstances and local government control continue to follow those same practices of good government.

(1155)

Mr. David Chatters (Athabasca): Mr. Speaker, I would like to speak briefly to Bill C-36.

Generally as the House has heard our party supports the goals of this legislation, the transfer of the moneys in the agreement to the Split Lake Cree Nation rather than being held in trust by the department of Indian affairs. Certainly we do not argue with the compensation in land, replacing that land which was flooded under the hydro project.

However, it appears the reopening of the northern flood agreement to accomplish these provisions considerably tops up the compensation provided in the northern flood agreement and enriches it considerably.

There are a number of questions that need to be answered. As we heard before, the briefing material provided by the department on this particular piece of legislation is very vague and incomprehensive, and it is hard to find the answers to the questions we are looking for. Hopefully we will be able to accomplish that in committee.

On a number of questions like the one of standard accounting practices, I do not really think it is reasonable to assume that because most other Indian bands across this country follow standard accounting practices it is reasonable to be able to assure all Canadians that standard accounting practices will be followed in this instance.

There need to be provisions in the agreement, in the act, to provide for that specifically considering that the administration of these funds is removed from the auspices of the Department of Indian Affairs and Northern Development and therefore also

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removed from the jurisdiction of the Auditor General. That specific concern should be addressed.

One of my other concerns is why when all five bands were covered by the northern flood agreement are we now separating it out and dealing with one specific band instead of all five bands in a single piece of legislation or a single act to provide the same provisions for all the bands?

As I said, generally we support the objectives of this bill and hopefully if those answers can be provided to us in committee in areas with which we are concerned I am sure we can provide support and help a speedy passage of this bill through the process to enactment.

[Translation]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, since I do not think that the matter was raised, I have a question. When we dealt with the Americans concerning Hydro-Québec, all compensation payments were made by Hydro-Québec. In this matter, I would like to get confirmation that three quarters of the compensation are coming from the federal government, Manitoba Hydro paying the remaining quarter.

I merely want some light shed on the subject. Is the federal government really paying three quarters and Manitoba Hydro and the Government of Manitoba a quarter? I would like the hon. member to confirm this to the House.

[English]

Mr. Chatters: Mr. Speaker, I think this really goes to demonstrate the confusion and the lack of understanding of the provisions of this bill in the briefing material that we received.

(1200)

I certainly cannot answer the hon. member's question because I have not been able to make the same determination from the material provided. Hopefully those questions can be answered by others in committee or in the House, but I do not know the answer to the question.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

(Motion agreed to, bill read the second time and referred to a committee.)

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House proceeded to the consideration of Bill C-22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, as reported (with amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): Let me share with members a ruling by Mr. Speaker on Bill C-22.

There are two motions in amendment on the *Notice Paper* for the report stage of Bill C-22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport.

[Translation]

Motions Nos. 1 and 2 will be grouped for debate but will be voted on as follows:

(A) If motion No. 1 is concurred in, it will be unnecessary to proceed with the vote on motion No. 2.

(B) If motion No. 1 is negated, a vote will be necessary on motion No. 2.

[English]

MOTIONS IN AMENDMENT

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

Motion No. 1

That Bill C-22, in Clause 10, be amended by adding after line 35, on page 3, the following:

“(4) The Minister shall cause to be laid before the House of Commons any agreement entered into under this section not later than five days following the entering into of the agreement or, if the House of Commons is not then sitting, on the first day thereafter that the House is sitting.

(5) An agreement referred to in subsection (4) shall be referred for review to a standing committee of the House of Commons or the Senate or to a joint committee appointed for that purpose by Parliament.”

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans) moved:

That Bill C-22 be amended by deleting Clause 10.

[English]

Mr. Gouk: Mr. Speaker, consideration of this bill has been long and very perplexing for many of us. We have dealt with it in the House and we have dealt with it at committee. We think there are still some very serious problems with it.

Essentially I believe that two wrongs do not make a right. Many wrongs have been alleged in this bill. Right from the very start of the whole Pearson development program there has been an allegation of interference in the system of setting up the contract and awarding it.

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There have been allegations of inappropriate lobby tactics and of crown princing, which is when something is designed so that only one prechosen person or group can qualify for it. There have also been allegations of generally improper government contacts in setting up this whole contract.

(1205)

A public hearing in this whole process would have been desirable. A public hearing could have laid to rest who was at fault, whether or not this was a bad deal in terms of the contract itself, and whether or not the entire process by which this was done was flawed. This was something we tried for. It was something the opposition also tried for, but we were not successful in getting the government to agree.

What we got instead was the Nixon report which in effect was a non-report. We are not quite sure as the public is not sure exactly what the terms of reference were for Mr. Nixon. We are not sure exactly how he conducted this. We do know he did not call on several of the principals involved in this contract. We know he did not have anybody testify under oath. We know he did not make the information he received public. We know that the principals involved did not get an opportunity to refute any of the information he had gathered. He then made a recommendation to the government which interestingly coincided exactly with what the government planned to do.

There should have been some process whereby all the people involved in this contract and the way it was set up and awarded would have made public the very things they were involved in.

We did ask many of the principals and the lobbyists to attend meetings of the Standing Committee on Transport. Unfortunately, most of the principals and virtually all of the lobbyists declined to appear. We in the opposition attempted to put in a very long list of witnesses for the committee to subpoena but this was not done.

After two attempts at getting the principal witnesses in and their choosing not to attend, the committee decided there was no need to go any further. On the basis of the fact that these people were invited to committee and they chose—and I do use that word very clearly—they chose not to attend, this puts to rest for all intents and purposes the whole question of whether it was a good deal and whether it was a flawed system by which this whole contract operated. They had the opportunity to come forward and expose where they thought the government was making a mistake and this is something they did not do.

I am not aware of this in Canada but in the United States legal system there is a plea of no contest in addition to guilty or not guilty. No contest is when someone accuses you of something or

alleges certain wrongdoings and you simply choose not to deny these and the court makes its decision accordingly.

While we may not have that legal concept in Canada that is in essence what has occurred in Bill C-22. The people involved who say they have been wronged chose not to come to the committee meetings. The government, which says this was a very bad deal and a bad system, also chose not to go public and expose to Canadians what in effect was wrong with this deal. Since they have chosen to do this I am essentially prepared to go with that and say that fine, if the principals do not wish to contest that they were unfairly dealt with and the government chooses not to defend its decision, then so be it.

It does leave one last aspect on which the government has to have some input and some knowledge of the process that is taking place. That is the process of the government arbitrarily choosing behind closed doors to pay or not to pay compensation to the players in this whole deal.

Given that they were not prepared to come forward and defend themselves in terms of whether or not the government made a bad decision brings to question whether or not any compensation should in fact be paid. I am certainly more than willing to listen to the claims they might have. I proposed an amendment at committee stage so they could bring their claims to committee, but that did not pass.

(1210)

Now we have a situation in which the minister can choose to either accept or reject claims. The public and for that matter even the committee in this House are not going to be privy to what those claims were, what the justification was or even to whom these claims are paid.

As the master contract was to the Pearson Development Corporation it is quite possible the minister may choose to make the payment, if he makes one, to the Pearson Development Corporation. It can then disburse the funds within its own organization and we will never know who really got paid.

This whole process is wrong. The government has now hired Mr. Wright. Mr. Wright is not running this whole program but he is collecting these claims to the government. They are then being turned over to auditors who examine them to see if they involve lobbyist fees or lost profits and a recommendation will flow from that to the minister. He can then choose to accept or reject the recommendation.

Mr. Wright is being paid \$1,000 a day on top of his expenses. I am not questioning whether or not Mr. Wright is worth that money. I am questioning why we hired Mr. Wright when the proper conduit for these claims and for these claimants to come

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forward and make their case should have been to the Standing Committee on Transport. That is the proper process.

We are here to represent all of the people of Canada. In that way they can see that justice was done. That is the process we still need. That is why I brought forward this motion. I want it to go on record that it was originally drafted by the Bloc Québécois. The Bloc brought forward the motion but held off in favour of the amendment I brought in. I bring it forward now because we are still seeking some way to keep this entire process visible and transparent.

My amendment did not tie the minister to following our recommendations, only that we got to see and make those recommendations in the first place.

I would like to close by simply suggesting that we have to do the right thing. A wrong process has been flowing through this program all the way. I will conclude by repeating what I said at the beginning of my speech: Two wrongs do not make a right.

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, the chairman of the Standing Committee on Transport presented the committee's report to the House, following its consideration of Bill C-22. You will agree that the amendments proposed to this House hardly deal with the questions we have raised since the bill was tabled for first reading on April 13.

What the report proposes to hon. members of this House boils down to three short recommendations. The first one is on Clause 11, where we are asked to strike out line 36 on page 3 and substitute the following therefor: "The Governor in Council may, etc." The second recommendation is to add, immediately after line 2, on page 4, the following: "An order made by the Governor in Council under sub-section (1) shall be laid before the House of Commons not later than the fifth sitting day of the House of Commons after it is made". And the third brief recommendation: "A copy of the Minutes of Proceedings and Evidence, relating to this Bill—Issues 7, 8, 9 and 10—is tabled".

After the many hours we have spent working in the House of Commons and the Transport Committee, it is astonishing to read these recommendations by the committee of which I am a member, although a dissident one. Let me explain. On June 11, the *Ottawa Citizen* gave a good summary of the drawbacks of this legislation and the problems encountered by the transport committee, except that it mistakenly reported, and I quote:

[English]

Gouk for instance tried to have key Pearson players subpoenaed to testify before the committee after only seven witnesses showed up out of the 17 who were invited to appear. The Liberals killed that move.

(1215)

[Translation]

With respect, the *Ottawa Citizen* was wrong. It was the Bloc Québécois member who made that request—in fact, yours truly—and I think the hon. member will agree that the attribution was erroneous. However, the *Ottawa Citizen* was right when it said that the Liberals turned down my request. I submitted a list of 17 witnesses, 13 of whom declined to appear. I asked for three people to be subpoenaed: Otto Jelinek, Peter Coughlin and Senator Leo Kolber. This motion was also defeated, thanks to the Liberal majority on the committee. These witnesses would have clarified the issues for the committee and, in that case, the report to the House would not have been the same.

It was not a frivolous request on my part. These three people were closely linked to the process that awarded the contract to Pearson Development Corporation. In fact, Peter Coughlin was president of Pearson Development Corporation, and he was not heard. Liberal Senator Leo Kolber, was, according to the *Financial Post Directory of Directors*, a director of Claridge. Canadians will recall that during the last election campaign, at his residence in Westmount, this valiant senator entertained guests such as Charles Bronfman, who is linked to the project, at a \$1,000-a-plate dinner to hear the present Prime Minister who was then trying to get elected.

I had also asked that Mr. Otto Jelinek, former Conservative minister, who now heads the Matthews Group branch responsible for Asia, be subpoenaed.

Why did the Liberal members on the transport committee refuse my request? What were they afraid of? Why did 13 of the 17 witnesses on the list presented by the Bloc Québécois refuse to appear in front of the transport committee?

Since the bill was introduced in the House on April 13 last, the opposition parties have been suggesting numerous amendments, making many requests, and demanding a royal commission of inquiry to get to the bottom of dealings the Prime Minister himself denounced during the election campaign. And yet, his Liberal government is turning down all our requests, either in committee or in the House of Commons. Democracy is all fine and good, Mr. Speaker, but the Liberal version of it is you talk and we decide.

There is a limit to people's patience. I said it many times here, Canadians were expecting transparency from this government and all they have seen so far is scheming. The Conservatives and the Liberals are cast from the same mold.

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I am getting repetitive, you will say. Unfortunately people in Beauport—Montmorency—Orléans, whom I am proud to represent, and I have lost faith in the present system.

All the parties in this House are aware that the Pearson airport contract was awarded to the Pearson Development Corporation to benefit friends of the Conservative Party. The proof is that before the elections, the present Prime Minister promised to cancel the deal for the reasons I just mentioned. And yet, today, he refuses to get to the bottom of things and introduces a bill to compensate friends of the former regime. Could it be that he has the same friends and the same financial backers? I do not know, but it makes me wonder.

We cannot allow the minister, with the approval of the Governor in Council, pursuant to clause 10 of the bill, to enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the minister considers appropriate in connection with the coming into force of the act, subject to the terms and conditions that the minister considers appropriate. As you can see, I quoted clause 10, which we find contentious. We cannot agree to that as long as this House does not have all the facts and does not know exactly how much the cancellation of the contract awarded to the Pearson Development Corporation to manage Pearson airport will cost taxpayers.

(1220)

Nor can we authorize the Governor in Council to enter into an agreement and simply lay it before the House not later than five days following the entering into the agreement. First of all, we have to know the truth. Considering that requests have been made and rejected, I feel compelled to propose a motion.

I propose the following motion:

That Bill C-22 be amended by deleting Clause 10.

There is a good reason for this motion. Given that, in committee, the minister told us that compensation could be nil, zero dollars, I tell you that, having played an active role in the work of the committee, I am not in a position to determine whether compensation, if granted, will be reasonable. With respect, I ask my colleagues in this House to support this motion and refuse to give the Minister of Transport a blank cheque.

The Deputy Speaker: This motion has indeed been received and judged to be in order, therefore the debate is on this motion and the other one.

It is now the turn of a government member. I recognize the hon. Parliamentary Secretary to the Minister of Transport.

[*English*]

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, let me take the opportunity in addressing the two amendments to make some comments vis-à-vis what both opposition members have indicated.

I thank all members of the committee and the chairman specifically for the way he managed the affairs of the committee. I also thank the critics of both the Bloc Québécois and the Reform Party for their co-operation on a very difficult issue. We understand that and their co-operation was necessary. However I must disagree with what has been said today. It is important for me to clarify some of the allegations made by both my friend from the Bloc and my friend from the Reform Party.

The government wants to do the right thing and wants to do things right. Let us not forget that the bill before the House does what we promised to do during the election. One was a promise to review the Pearson privatization bill and appoint an arbitrator to take a look at the process and the deal to ensure the public interest was being protected. Mr. Nixon did that in an admirable fashion. He made a recommendation to the Prime Minister and the Prime Minister, as promised during the election, cancelled the Pearson deal after we became the government.

This bill formally cancels a bill and an agreement signed behind closed doors by the former government two weeks before the election. We know the process was not right. We know the public interest was not being served. By virtue of Bill C-22 the government has formally cancelled the bill and the contract. We have honoured our commitment to the Canadian people who put their trust in the Liberal Party to do exactly that.

Let it be very clear that we are not talking about a process whereby we are trying to hide behind the curtains or trying to do something behind closed doors. The agreement formally cancels the Pearson deal and puts Pearson back into the hands of the government. Therefore we are doing the right thing.

The Reform Party said that two wrongs did not make a right. I would agree with that philosophy but there were not two wrongs. There was one wrong and that was the putting together of the deal by the former government. We know what happened to the former government. It was thrown out of office at election time because of the way it operated generally and because of the way it operated on that bill.

To suggest that this bill and the conduct of this government are wrong is absolutely false. First our program and bill state that we will cancel the agreement, and that is what we are doing. Second, there will be no compensation paid, especially for lobbyist fees, profits and lost opportunities.

(1225)

The people who entered into the agreement were warned before the election not to sign it. The new government in waiting gave them notice not to sign it. They chose to sign two weeks before an election. They took their chances. However the bill specifically says that we will only pay out of pocket expenses. We will only pay invoices where there was value for work done. If they cannot prove there was value for work done by way of an invoice, they do not get any money. It may very well be. Clause 10 says there may be no compensation unless they can prove that

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they had a bona fide invoice prior to their signing the agreement or even after signing the agreement on October 7.

I also want to talk about some allegations that were made here today. Government members on the committee did not stand in the way of calling witnesses. Of the 17 witnesses the Bloc and Reform parties put forward, government members had said to invite them all in to tell their story and shed some light on the process. We only objected to two witnesses because we felt they were doing the negotiating. Mr. Wright and Mr. Nixon had already given advice to the government. Government members agreed to invite every other witness to the committee on that list, including Mr. Coughlin, Mr. Cogler and Senator Kobler.

We cannot force them to come to the committee if they do not want. Mr. Jelinek could not make it. Mr. Coughlin did not. I cannot remember whether or not former Prime Minister Campbell was invited. I do not know. A number of them chose not to come before the committee.

The Bloc critic suggested that we should subpoena them. I understand the subpoena method has not been used in the House of Commons since 1913 or 1930. It is a complicated process that would have taken months. The House of Commons would have to be involved; the Senate may have to be involved. It could have taken months.

The Canadian people want us to put the matter to bed. They want us to cancel the agreement, get on with taking over Pearson and start to look at the opportunities with regard to Pearson. We have to formally cancel the contract. The bill does so.

We have to move forward. The delaying tactics the Bloc has put forward such as subpoenas and public inquiries would have cost millions of dollars. They would have taken too much time and at the end of the day, guess what? We would have arrived at the same conclusion the government arrived at: to put a bill before the House to cancel the contract and negotiate fair compensation, whether or not there should be any compensation. I think we are at that stage.

I want to get to the meat of the amendments put forward by the Reform Party and the Bloc. As far as transparency is concerned the Reform Party has suggested in its amendment that the minister shall cause to be laid before the House any agreement entered into. While that might sound innocent enough, let me suggest to the member who put it forward that it is redundant. There are checks and balances in the system that will lay transparency and accountability at the feet of the minister. Anything the minister pays—one nickel, one penny or one dollar—will be subject to public scrutiny of the auditor general. It will be subject to the public accounts committee of which a Bloc member is the chair. After an agreement it could ask to review the agreement.

The House of Commons indirectly deals with those matters. Government is transparent. Government will be subjected to the court of public opinion. Whether or not compensation is finally arrived at, if any, it will be in the court of public opinion. The process is transparent. Accountability is to the House and to the government, which in a democracy is exactly where it should be.

For the Bloc to suggest by virtue of its amendment that no compensation should be paid whatsoever is wrong. We have said that there shall be no compensation for lost profits. There shall be no compensation for lobbyists. This was a signed agreement, maybe repugnant. We may not agree with the process. We may not even agree with the content but it was signed legally by a government and legally by another party.

(1230)

Our clause 10 suggests that you have to show value for work. We will not pay more than one cent than we have to. That is what the Prime Minister had indicated and I think that is reasonable.

We have international obligations. We have to be seen as being reasonable. This was a unique bill for some very unique circumstances. Never in the history of this country I believe has such a bill said either you negotiate, and you have 30 days to negotiate, and after proclamation you have 30 days thereafter or there shall be no compensation whatsoever.

This government took bold action because it agreed that the process was flawed, that the public interest was not being served at all. We cancelled the Pearson deal and we said to those people “come to us with the legitimate invoices and we will only pay what we can and if you don’t like what we think about what you should be paid there shall be no compensation whatsoever”.

We need to get control of our destiny in terms of Pearson and this bill does it. Those amendments do nothing to this bill to improve it but in fact move to waste more of the taxpayers’ money and cause us more time loss.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I appreciate the comments of the member opposite.

There is no doubt in the minds of members of the Reform Party that the government did the right thing by cancelling the Pearson airport deal. I am sure all members would agree with that.

I think it is important to carry this one step further by way of this amendment. The minister has promised openness and transparency in finalizing the examination of any claims. We are simply asking that the government extend this transparency just one step further.

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There is no doubt in anybody's mind in this House I am sure that this was a deal that maybe contained the dirtiest part of politics in this country. It was a deal made between political friends of the past government. It was a deal made that probably epitomized the way that the Canadian public mistrusts the way business with government has been done in this country.

Mr. Keyes: Sleaze, all of it sleaze.

Mr. Harris: Sleaze, yes, Mr. Speaker, it was sleaze and no other word probably defines it.

Mr. Keyes: Tory sleaze.

Mr. Harris: Tory sleaze, yes. I thank the hon. member for helping me out in this presentation.

All we in the Reform Party are doing is asking that the government just do one more small thing to try and restore the confidence of the Canadian voters and that is to let the settling of this agreement, the cancelling of this agreement, the wrap-up of it become one small bit more transparent.

It is not our intention to hold this thing up for a length of time that would in fact cost millions of dollars as the hon. member opposite indicated. We simply want the government once it has determined if any, and I hope that there is none, claims are worthy to be considered for payment that it would simply present these claims either to the Standing Committee on Transport for examination by all three parties or to a special committee formed by the government, whatever the case. It would not entail a long period of time to get a recommendation from that committee.

This is not a huge order in the scope of this. This is just one more small step that the government can take to toward restoring the confidence of the voters and in fulfilling its election promise of transparency and openness in the way the government does business.

(1235)

People have a lot of questions about the Pearson airport deal. They never want to see a deal like this again in this country. It is incumbent upon the government to consider laying all the facts before the public and the three parties in this House so that they can be examined in detail.

We are not asking for a huge delay, just one more small opportunity to open this up so that the public will be able to see in a timely fashion and not wait until the Auditor General makes a report next year because the voting public wants to see this openness happening now. They want to see examples of it on a daily basis. That is what this amendment would do.

It would actually help the government in power to get its message of openness across. I am surprised frankly that there is any opposition to this by the government. I urge those members to reconsider their position. Let us forget about partisan politics here and put the interests of the Canadian public first and foremost in everything we do. Let us do the right thing in this House.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have listened attentively to the remarks being made by the opposition parties to Bill C-22, and in particular the amendments that have been put forward, especially by the Bloc member.

Let me begin by saying I am privileged to be the chairman of the transport committee of the House. I congratulate members of the Reform and in particular the Bloc, especially the member for Beauport—Montmorency—Orléans, who worked very hard and diligently in ensuring that the public interest was always held high and that work was being accomplished at committee with the valid, helpful suggestions being put forward by the Bloc member in requesting particular witnesses to appear before the committee.

I will address the last question put to government by the Reform first. The hon. member referred to extending transparency, saying that he simply wants the government to determine that if any claims are made by third party interveners that a government committee examine the payments.

We argued this in committee. It was made pretty clear by government members on the transport committee to the hon. member of the Reform Party, the Reform Party that by the way is against duplication of process, a Reform Party I believe that is against a waste of government members' time or the cost of doing government and the expense involved in having committee meetings. He wants to have the committee examine all these third party expenses being allocated by the government to the third parties.

There is a process available now that will ensure that these payments are above board and that will be done by the Auditor General of this country. Why are we duplicating a process by a Reform request to take what are literally these mounds of third party receipts and requests for payments? Somebody laid down some gravel at the site or somebody made a contract for the outhouses to be placed on site. We have to consider all these things. They are legitimate third party payouts. That process is going on right now.

Why do we want to take all that and look at it all over again when there will be an opportunity for the Auditor General to complete that work? Let us save the taxpayers of Canada some money, I say to the Reform. Let us save ourselves some time I say to the Reform.

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Mr. Mills (Broadview—Greenwood): The Auditor General is the third party.

Mr. Keyes: My colleague from Broadview—Greenwood does bring up the fact that the Auditor General is an independent third party, not three different parties sitting down and looking at receipts. It is an independent third party. That being said, I hope the hon. member is satisfied with that answer.

Getting back to the Bloc member, the hon. member for Beauport—Montmorency—Orleans, he is the critic of course for transport for the Bloc. He is doing a solid job. He put forward the list of witnesses we needed at that committee. I am proud to say the committee said sure, bring them all on.

(1240)

There were a few exceptions like Mr. Nixon, for example. Mr. Nixon submitted his report. He is more than above board. He has given us a full documentation of all the facts that he could present to us. We dragged him to a committee and asked him the same questions that were answered in a report that he filed with our committee. Again, let us not waste the time of the House or of hon. members. Let us get to the job. Let us get to the bottom line. Let us look at the bottom line, which is that Canadians asked us to kill the deal. Canadians said it was a lousy deal, so just get to it.

Pearson International Airport is an economic hub, a revenue generator, a very important link and element to transportation not only just in southern Ontario but in Canada. It is also an economic engine for Canada, aside from the fact that it happens to be an aviation hub.

We have to ensure that everything that is going on at Pearson airport is being completed on time in a very time sensitive industry, the airline industry. We have to plan today for what that airline policy and industry is going to look like tomorrow. If we do not, we get caught with our pants down. We will. It has happened in the past under Tory administrations. But that will not happen with this government, with this party. That is not going to be allowed to happen. We are going to keep on top of it and we congratulate the Minister of Transport for keeping on top of it.

There is no wishy-washy decision making here. What do Canadians want? They said it was a lousy deal. Fine. It is a lousy deal. "Do you want us to kill it?"—yes. We killed the deal. Sensitivities are made because we do not want to pay lobbyists and we do not want to pay for potential profits of the future. Come on, potential future profits, give us a break.

After all it was a legal document and the previous administration did sign and we have obligations to the international community. Therefore, we are sensitive enough to say: "Look we are not going to go fully this way and say the deal is cut, finished, done, dry. You are all hung out to dry". No, some legitimate third party claims been made and we are going to

respond to them. We are not so insensitive as to not respond to those claims. We are going to do that and they are going to be cross checked by the Auditor General an independent third party.

The bottom line I suppose is that we invited all the witnesses to come forward, except for Mr. Nixon, for example. Let us go to the beginning.

Seventeen names were requested by the Bloc. Except for two or three of those names they were all invited. Those individuals responded. Either they were out of the country or they were going through their third party legal counsel. I do not even want to remind the House of his name. I am seeing a smile and hearing laughter from the Reform. Some of this stuff that was brought forward by this legal counsel for some of these individuals was just ridiculous.

However, they were all invited and either they were out of the country or were unable to attend and we said fine. Then there was a request for the chairman to invite them. The chairman invited a shortened list. Again those individuals said: "Sorry, I am out of the country". Can you imagine Jelinek or Corbeil, who were on the list, coming back? Ghosts from Tory administrations past. Who cares? I frankly do not give a damn what Jelinek or Corbeil have to say about this issue because it was a lousy deal. We cut the deal, we ended the deal and I really do not care about what they have to say.

I was hoping as the non-partisan chairman that the committee would not allow individuals to what, come and clear their name? "Hey, I am really a good guy and it really was a good deal but the Liberals killed it". I do not care. The committee did not care. In the end they were asked and then a subpoena was requested. The subpoena process is there. However, as we know and what Canadians might find of interest, in the rules of the House people can still turn down a subpoena request. Then the whole committee decides to take the subpoena request to the House and the House has to make the request. If the individual does not come then we send the Sergeant-at-Arms and off will go Gus to drag this individual in. The last time that full process was done was in 1913. The person still did not come and went to jail. That is the story behind that. It is a great story.

(1245)

Canadians asked us and we, the Bloc and the Reform did our jobs. We asked the people to come. However, at some point you have to say enough is enough. We have asked three times and they have said: "Sorry, I can't make it, I'm out of the country, et cetera". The committee, in its wisdom, said: "We know what the bottom line is and we have to get to it. We are not going to stretch this thing out until the fall and dig up some dirty laundry from some sleazy Tory deals of the past. We are doing the job that has to be done". I congratulate the committee members for having done that job. I just hope that we get speedy passage of this bill.

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[Translation]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, if we were to go looking for the truth, we would not find it in the mouths of the members across the way who last spoke.

Along with my whip, I sat on the committee responsible—

[English]

Mr. Fontana: Mr. Speaker, a point of order. I do not believe we on this side of the House attacked the truthfulness of any of the statements. If you want to review what the member just said, he is questioning the truth of our statements. I think that is unparliamentary. I seek your guidance whether it is a point of privilege and if the member should be required to withdraw those sad comments.

The Deputy Speaker: The parliamentary secretary raises the question. I was listening to the hon. member.

[Translation]

I did not hear any unparliamentary words. I will look at the blues, but for the moment, I cannot say that I heard any words that are not acceptable in this House.

In my opinion, what we have is a point of debate between the two speakers. I will review the blues and if there is a problem, I will get back to the House.

Resuming debate.

Mr. Lebel: Thank you, Mr. Speaker.

Scratch my back and I will scratch yours. That is about the extent of what is currently happening between the Liberals and the Conservatives who once occupied these very same seats.

Along with my whip, I attended the committee meeting at which time the question of potential witnesses was discussed. When the Pearson Airport bill was debated on second reading, the Liberals opposite told us: "A royal commission of inquiry is unnecessary. You will have every opportunity to hear all the witnesses you want in committee".

When we got to committee stage, quite a squabble broke out. It was worse than selecting jurors for a trial. As soon as we mentioned the name of someone with ties, however remote, to the Liberal Party of Canada, our choice was rejected. At most, they agreed to let us hear from a few witnesses who were particularly well connected with the Conservatives. Even then, they could not provide us with a great deal of evidence. Therefore, when the members across the way claim that they agreed to all the witnesses we suggested, that is false.

Now they are saying that we will have the opportunity to discuss the deal next year when the Auditor General of Canada releases his report.

This calls to mind an infamous statement which the Prime Minister made during the Oka crisis. He said: "So let the Indians escape. We will catch them later". The Liberals appear to be using somewhat the same tactics in this case. They seem intent on playing the role of the blushing, innocent bride.

(1250)

And yet, in this morning's *Globe and Mail*, not the *Journal de Montréal*, Terence Corcoran reports the following: "Not a shred of evidence has been produced to demonstrate that the Pearson contracts are anything but honest, legal, sound and desirable agreements to redevelop the airport". This is not me talking, or the separatist *Journal de Montréal*, but a Toronto newspaper.

This reporter also mentions that Torontonians are beginning to get fed up with the attitude of the Liberals. Furthermore, he states clearly that during the election campaign, the Liberals lied to the public. And they act like prima donnas. How sad, a contract that should not have been signed in the first place is going to be cancelled! Did they include a compensation clause when they cancelled the helicopter contract in Montreal? Did they include a little clause to make sure their friends were taken care of? No, there was none. These people are acting in bad faith.

I call the people of Canada to witness and I tell them this: "See, people of Canada—and of Toronto in particular—how easily you are done out of \$250 million, with a stroke of the pen in a transaction that will make the national deficit grow. You are being taken for a ride". These people have been taking us for a ride for over 25 years, and now on the pretence of remedying, resolving a problem, they cancel a small contract which may not have been desirable, a contract we probably would not have signed. Now that their friends have been caught red-handed, they are trying to backtrack, they are putting on the brakes, so to speak. They are trying to spare as much as possible those of their buddies who meddled in this business. That is a disgrace!

It is too bad that certain people, in Toronto in particular, may decide not to listen to what is being said on this side because it is coming from Bloc members, those mean separatists. Torontonians might then realize that we would rather get out of this confederation before the members opposite sink us and, by favouring their buddies, leave this country in such a sorry state that it will never be able to recover and that dismantling Canada will make sense after all, financially speaking. The bottom line is these people are not acting in good faith.

When I first spoke on this bill, I asked what had led the government to introduce such a bill when we are dealing with a valid contract—I did not say legitimate, but valid as in legally

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signed—one which normally, based on rulings regularly made by the Supreme Court of Canada, was binding on the government that was in office at the time and had the power to enter into contracts.

In this morning's paper, Terence Corcoran also tells us: "Any reading of Bill C-22 makes it amply clear the special law was crafted to avoid a legal expropriation process—and to avoid embarrassing the Liberals rather than Mr. Matthews". He is one of the Tories involved. "If there are any smoking guns at Pearson, they're in Liberal hands".

That is how highly the Liberal Party is regarded by the people in Toronto. I always knew when the leader of the party currently in power spoke of a chair, that the chair he had in mind was not of the kind that generally comes to mind. In the Prime Minister's mind, a chair can have two horizontal legs, a tilted seat, a horizontal back—That is the Prime Minister's idea of a chair. His perception must be contagious because I think the members of his Cabinet and his ministers' parliamentary secretaries, some of whom are sitting across from us, have had their minds warped by all kinds of inconsistencies or by the tendency to mislead everyone.

(1255)

The Pearson contract is a disgusting scheme—I hope the term is strong enough—and they are taking at least \$250 million out of the pockets of Canadians who have trouble making ends meet, in an effort to put out the fire.

The smoking guns referred to in this morning's press review are what they are attempting to hide. Try to make our friends happy? Always. Scratch my back and I will scratch yours, and the Liberals are the best at this kind of scheme.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, it is not with joy in our hearts that we speak to a bill like this one, except that this afternoon's amendment would make it more reasonable.

My colleagues talked about various provisions earlier, about the state of mind that prevailed at the transport committee. I would like to add a few things myself. Earlier I heard Liberal members refer to their commitment, to the fact that the people asked them to cancel the Pearson Airport contract signed by their Conservative predecessors on whom they put all the blame in this.

The deeper we dig into this issue, the clearer things become. People are starting to dig deeper and that is why the government is in a hurry to get rid of this case once and for all to avoid getting to the bottom of things.

Reference was made to witnesses who found it difficult to come before the transport committee. Obviously, it was not in

their interest to shed light on this issue and the government did not want to do it either. Why? Because it is not true that only the Tories or those very close to them were to blame in this.

On top of all this, the government found a way to compensate its friends and I do not think that was what the people asked for. The member for Hamilton West just said: "The people asked us to destroy this agreement, to cancel it". Except that the people never asked them to compensate their friends. They never asked them to do that. Never! But they are finding a way to do it subtly, very discreetly, even secretly.

Yes, we were told that next year the Auditor General could look into it. As in all the other cases, it will be on a page in his report, denouncing some other anomalies buried among all the other scandals involving the management of public funds. It will make the news for a day, a few hours, and it will be drowned in other bad news, so the government will be able to get away with it and never have to face the people and be accountable.

That is why the Reform Party's amendment at least suggests that these things should be more transparent, that this compensation should be submitted to the House and debated more publicly and openly.

In this regard, this amendment is a second option. We would prefer not to have any compensation at all, especially with all the scheming—that is really the word for it—surrounding this whole contract and its cancellation. If we had gotten to the bottom of it or if someone some day is able to get to the bottom of this story, there would be a big political scandal that would greatly affect the credibility of the government and of all politicians who were here in the 1980s doing business that way.

It is traditional in those parties. Whether it is the Liberals or the Conservatives, they act the same way and there are other agreements made in all sorts of other ways that the people mistrust, perhaps rightly, because when something is rotten in a deal, they refuse to clear it up.

(1300)

For once we would have had an opportunity to start over on a sound footing, to find the causes and sources of these problems, why politicians are subject to all sorts of—how should I say this?—temptations that make them do deals which are far from beneficial for everyone.

The original idea behind all this of turning airport management over to the community was not necessarily bad. Except that when we see how it is done in practice, we realize that there are many problems. It now casts great doubt on the whole process of privatizing airports or conceding them to community corporations. Now everyone is on the defensive about the process. This is what I had to say regarding comments made a little earlier in the debate.

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As for the amendment tabled by the hon. member for Beauport—Montmorency, it has the effect of abolishing clause 10 of the bill. In order to put things in perspective, I will read clauses 9 and 10, and then explain why we propose that the latter be deleted. Clause 9 reads: “No one is entitled to any compensation from Her Majesty in connection with the coming into force of this Act”. Good! That clause is just fine; the problem is clause 10, which says: “If the Minister considers it appropriate to do so, the Minister may, with the approval of the Governor in Council, enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of this Act, subject to the terms and conditions that the Minister considers appropriate”.

That clause includes the expressions “If the Minister considers it appropriate” and “the approval of the Governor in Council”. In other words, the cabinet could and will grant compensation, because the hon. member for Hamilton West said earlier that we must compensate those who incurred costs related to this project. Is it normal in the private sector to compensate people who, for all sorts of reasons, try to get a contract or work on a project, when their efforts are fruitless?

Some hard thinking is in order because if we did that with every public contract, regardless of the outcome, we would open the door to an endless process. That clause is terrible and it sets a rather serious precedent. After all, no compensation was provided in other cases. In the case of the helicopter contract, for example, any compensation must be approved by cabinet and the Governor in Council. All this is very worrisome.

Who does the government want to protect with this clause? You can be sure that some evidence will have to be produced, or that requests will have to be made by those who participated in the project. Two groups were involved: Claridge and Paxport. One is closely identified with friends of the Liberals, while the other has closer ties with the Conservatives. I am prepared to say that the requests made will not be reviewed in the same way, and this is why it would be appropriate to have a much more open and transparent process. I understand that some information is of a private nature. In reference to the public domain and compensation paid by taxpayers—these same taxpayers, whom the government must represent by cancelling the Pearson Airport contract, will have to pay compensation at the discretion of Cabinet. This is scandalous.

We have seen some of these enemies with Claridge, specifically all of those people who are closely identified with the Liberal Party, such as Senator Kolber, Peter Coughlin, Herb Metcalfe and others. Those people are not identified with the Conservative Party, and a way will be found to compensate them

in a bill. So I think the thrust of our amendment—in fact, I am convinced of this—is that there will be no question of compensation in a completely crooked process. Particularly since, in the light of the work of the Committee—as my colleague mentioned earlier—it was never clearly demonstrated that compensation should be paid. The whole story is very nebulous, and there has been a refusal to get to the bottom of it.

Behind the scenes, it is said in secret said that it will be possible to shed more light on all this and get the clarification necessary to provide appropriate compensation, although we know full well that lobbying fees are tax deductible anyway. This is the kind of thing that the public finds extremely irritating. It makes people mad to see this type of process, to see the government caught red-handed in the act of compensating its friends. We cannot subscribe to such a policy.

(1305)

Why should Canadians and Quebecers pay compensation for a project that was poorly managed, a project that has now been cancelled and that some day will be back on the agenda. The public will have to pay, but it is not unlikely the same parties will resurface in some other form. They will be the big winners. Do not believe for one minute that these people will just disappear. They are still around. Do not be surprised if they become players in the same project, in some other configuration. They will find a way. No one in this group is going to be on the bread line tomorrow morning.

I think it is important to tell the public that the government tried to sneak this bill through. At every stage, in committee, and at second and third reading, we had to go to the very limit of the time available for debate to show there were a number of discrepancies and give people with a more than casual interest more time to take a close look at what was happening. The government is trying to get this bill through the House in record time, and that alone is sufficient cause for concern, both for the public and the opposition parties. I hope the government will wake up and support the amendment that would delete clause 10 of the bill.

[English]

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

Some hon. members: Question.

The Deputy Speaker: The question is on motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

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Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Speaker: Pursuant to Standing Order 76(8), a recorded division on motion No. 1 stands deferred.

* * *

CANADA BUSINESS CORPORATIONS ACT

The House proceeded to the consideration of Bill C-12, an act to amend the Canada Business Corporations Act and to make consequential amendments to other acts, as reported (with amendments) from the committee.

Hon. Raymond Chan (for the Minister of Industry) moved that the bill, as amended, be concurred in.

(Motion agreed to.)

The Deputy Speaker: When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Chan moved that the bill be read the third time and passed.

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

* * *

(1310)

MARINE TRANSPORTATION SECURITY ACT

On the Order: Government Orders:

June 7, 1994—The Minister of Transport—Second reading and reference to the Standing Committee on Transport of Bill C-38, an act to provide for the security of marine transportation.

Hon. Christine Stewart (Secretary of State (Latin America and Africa)) Mr. Speaker, I move:

That Bill C-38, an act to provide for the security of marine transportation, be referred forthwith to the Standing Committee on Transport.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I rise for the purpose of introducing into this House a bill to provide for the security of marine transportation known as the Marine Transportation Security Act.

The introduction of this bill marks the first occasion on which the government is proposing to use the streamlined process agreed to by Parliament on February 7 of this year in order to expedite the consideration of bills while at the same time improving the parliamentary ability to scrutinize legislative proposals.

Let me take this opportunity to thank all members of this House and all parties for allowing this bill to be the first under the new parliamentary reform package.

The motion before us will send this bill directly to the Standing Committee on Transport before second reading. I trust members of all parties will support this proposal, as they have, and I am looking forward to the process as a good test of the new approach and the resolve of House members to make it work well.

I would now like to turn to the rationale for the proposals before this House today. The Marine Transportation Security Act is intended to address a long standing omission in federal regulatory powers and in so doing better equip the government and the marine transportation industry to respond to any threat to the security of people, goods, vessels, ports and facilities in the Canadian maritime marine environment.

The Minister of Transport has had the legal power to address security issues in civil aviation and rail transportation for some time. Conspicuous by its absence, however, is a similar power for the minister with respect to marine transportation in Canada.

We must not be seduced into thinking that Canada or Canadian marine transportation is immune from terrorist threats. As members of the House know, the evidence available with respect to an Air India disaster, while not conclusive, indicates that the most likely cause of the tragedy was a bomb aboard the aircraft. While we have not had any similar incidents in the marine field, the experiences of other countries such as Greece have not been so fortunate.

Apart from the tragic loss of life that occurred in two separate and totally unanticipated incidents, the effect on the Greek cruise shipping trade and tourism in general was to cause losses measured in the hundreds of millions of dollars.

(1315)

As a result of these incidents, the International Maritime Organization, IMO, the United Nations agency that deals with maritime matters, passed a recommendation that cruise ships on international voyages carry out security screening of passengers, analogous to that at airports, together with a variety of other complementary measures.

Canada was a strong supporter of that recommendation but has lacked the legislative authority to require the considerable cruise ship trade in Canada to comply. Attempts to achieve broad compliance with these measures on a voluntary basis have also been unsuccessful. These same IMO recommendations called on governments to review their national legislation to determine its adequacy.

Having raised the issue of economic advantage, I would like at this point to turn briefly to the concerns that might arise with respect to how this initiative could affect our relationship with our trading partners and competitors, in particular the United States, with whom we have so much maritime exchange.

Members of the House should be aware that the U.S. government already possesses the legislative authority that this bill seeks for our government. Furthermore, the United States has signalled its intention to bring in a regulatory regime for cruise vessels and ports based on existing voluntary IMO standards.

The U.S. is not the only western nation which has decided to respond in a vigorous manner. Greece has had a security regime for cruise vessels and ports in place for a number of years. The United Kingdom has enacted broad based legislation and many western European nations are actively pursuing a variety of initiatives to improve the security of their maritime transportation systems.

The international standards are intended to be the basis for the major element of a Canadian regulatory regime. Even apart from the primary concern of protecting the travelling public, if we were to fail to provide for a level of security equivalent to that offered by the American industry, Canada could find itself in danger of losing traffic to American ports. That is big tourist business for Canada.

More than 80 per cent of passengers in Canadian cruise trade are U.S. citizens. The value of this trade, which is expected to grow by more than 11 per cent on the west coast alone, already exceeds \$500 million each and every year. The government has good reason to believe therefore that this legislation will in its long term effects be a positive enhancement to trade rather than an inhibitor.

I am not suggesting that there is currently a threat against Canadian marine transportation. There is not, but this could change at any time. I am suggesting that it would be imprudent, even derelict, to fail to take basic, simple precautions on the grounds that we have no evidence of a direct threat today. If and when that threat does change, it is too late to start the long, deliberate process of developing legislation.

In the immediate past one only has to recall the bombing of New York's World Trade Centre and the mortar attacks on Heathrow airport to understand how the dynamics of terrorist action can shift without warning.

As I have pointed out, the ability to respond effectively to any possible acts of unlawful interference with marine transportation must start with the capability of the government to organize a response. It is thus the view of the government that the creation of a legal framework to provide for effective marine security is the initial priority in ensuring that Canada is well equipped to deal with security in the marine environment.

I would like to remind the House that this bill, the Marine Transportation Security Act, provides the government only with enabling authority to create an appropriate regulatory regime,

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together with a compliance monitoring and enforcement scheme backed by suitable sanctions.

As such the bill, if and when enacted into law, will of itself impose no obligations on industry. Those will await the subsequent regulatory regimes. The bill is designed to apply to vessels, ports and marine facilities in Canada and to Canadian registered vessels anywhere, as well as to marine installations and structures, primarily drilling rigs and platforms on the continental shelf.

As in the case of aviation, vessels and facilities under the authority of the Minister of National Defence are exempt from the legislation.

(1320)

Within this structure the government will have the authority to implement the necessary features of a security regime, many of which will be familiar to members of the House from air travel.

These include the ability to screen passengers, their possessions and goods going aboard a ship, the ability to segregate passengers and goods which have been screened from those that have not, the capability to control entry to a ship, the authority to require identified staff to be trained with respect to security matters, and the ability to require contingency plans for such matters as the response to bomb threats to be developed and exercised.

It is not the intent, however, that these powers be applied to their fullest extent under normal conditions. The situation does not warrant such action and the industry, understandably, given the current threat conditions, would oppose such action. The premium will be put on bringing in a framework which responds to Canadian requirements as they currently exist but with the flexibility to enhance them in the future should the threat change.

These requirements are simply put and I anticipate that they will find strong support within the industry affected. They are three in number: first, making mandatory the existing international standards for passenger vessels and associated port facilities; second, ensuring that major cargo vessels and associated ports have in place basic security consistent with industry's best practices; and third, the implementation of a system of measures capable of being used by all regulated segments of the industry in the event of an increased threat situation.

My colleagues and I are well aware that these are difficult financial times for the maritime industry in this country. We are confident that, except for some particular segments of the cruise vessel industry that fall significantly short of the existing international standards, the above objectives can be realized with little or no additional financial burden on the industry.

The result will be a more secure marine transportation system that is appropriately protected from potential security incidents and with the ability to adjust to changing scenarios in an unstable global environment.

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On the requirement for such legislation, industry has endorsed the principle that the Minister of Transport requires adequate legal authority to address legitimate security concerns.

That being said, it is recognized that industry remains concerned given the current absence of an identifiable threat in Canadian waters about the requirement for regulations at this time and about the financial and operational implications of any regulatory framework.

For this reason, any regulatory scheme which is developed must take into account three important factors. There must be full and active industry involvement in the development of these regulations to ensure that both government and industry are in agreement and that the resulting approach represents the least cost approach to achieving what is absolutely necessary.

Second, the requirements must be based to the extent practical on performance standards as opposed to detailed technical specifications to provide the maximum flexibility to industry in meeting them, thus keeping costs again at a minimum.

Third, requirements with respect to basic security must be predicated on the existing best practices of the industry, thereby ensuring that the degree of adjustment necessary to achieve compliance is again minimal.

With these three precepts as the basis for regulatory development I am confident that we can arrive at a framework that stands the test of security while not inhibiting competitiveness or operational efficiency.

In closing, I would like to summarize for members the proposals contained in Bill C-38, the Marine Transportation Security Act. The act is designed to provide enabling authority to the government, consistent with that already available for aviation and rail transportation, governing security in the marine transportation sector.

This enabling authority would be used to create a regulatory regime providing for the security of cruise ship industry commensurate with that of the international community at large, and the United States in particular, thus ensuring the continual economic viability of the Canadian market.

Regulatory requirements with respect to cargo vessels and ports would focus on codifying existing security practices and ensuring that planning is done to respond to possible changes in threat. In implementing this regime the Department of Transport will carry out detailed consultation with maritime interests in Canada on the need and the approach that should be taken hopefully during the summer.

(1325)

I urge members to consider the additional security that this act will provide in Canadian marine transportation, security that is

necessary for the protection of Canadians and those who travel on the Canadian system as well as for the long term economic advantage of our industry.

I ask members of all parties to consider this legislation carefully, both in the committee and in the House, with a view to offering any improvements they deem necessary to this important initiative and to support the final package which emerges from the parliamentary process.

Finally, I return to my point of departure, to ask the members to join with me in making this an historic occasion in employing the new procedures which the House laboured long and hard to produce and supporting the motion to refer this bill to the Standing Committee on Transport before second reading.

I look forward to working with all parties to ensure that this bill becomes reality some time in the fall.

[Translation]

The Deputy Speaker: I understand that with the consent of the Official Opposition, we shall proceed immediately with the Reform Party. But first, a point of order.

[English]

Mr. Boudria: Mr. Speaker, I think if you were to seek it, you would find unanimous consent of the House to revert momentarily to Bill C-22 so that the question can be put.

The Deputy Speaker: The members will I am sure be aware that we are—

[Translation]

We were going so fast that the Chair forgot a minor detail, and I am referring to the vote.

[English]

Is there unanimous consent to revert back to the calling of the vote?

Some hon. members: Agreed.

* * *

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed consideration of Bill C-22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, as reported (with amendment) from the committee.

The Deputy Speaker: The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

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Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Please sound the bells.

[*Translation*]

And the bells having rung:

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

Accordingly, pursuant to Standing Order 45(5), the division on the question now before the House stands deferred until 6.30 p.m. today, at which time the bells to call in the members will be sounded for not more than 15 minutes.

[*English*]

Mr. Boudria: Mr. Speaker, on a point of clarification. We have now decided to have the division later on the first amendment. Has the issue of the second amendment in the name of the member from the Bloc been disposed of? Could I ask how we will proceed with Motion No. 2 so we can be sure that at 6.30 p.m. we will dispose of all amendments on Bill C-22? I think that was the intention of the House a little earlier.

The Deputy Speaker: The hon. deputy whip was not I think in the House when the matter was raised much earlier.

[*Translation*]

If Motion No. 1 is concurred in, it will be unnecessary to proceed with the vote on motion No. 2. However, we cannot determine this until the vote is held this evening, at 6.30 p.m.

* * *

[*English*]

MARINE TRANSPORTATION SECURITY ACT

The House resumed consideration of the motion.

(1330)

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, at the beginning of this session I stated to the House that the Reform Party, I in particular but my colleagues also, would not oppose the government for opposition's sake. We indicated we would be the first to recognize good legislation when it was brought forward and we would support it.

I see no difficulty with Bill C-38 at this stage. I look forward to dealing with it in the Standing Committee on Transport. It is something which is overdue and is largely housekeeping in nature. There are many items to be confirmed in it but we will do

that at committee stage. Consequently, the Reform Party is prepared to go along with moving as quickly as possible to the committee level in order to get on with other pressing business of this House.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, on June 7, the government tabled in the House of Commons a bill to provide for the security of marine transportation, further to the security measures for cruise ships and ports prepared by the International Maritime Organization.

Although the implementation of such measures was not compulsory, in 1993, the previous government ratified the IMO Convention and Protocol, following the drafting of an international convention and protocol on unlawful threats to marine transportation.

Such action had become necessary as a result of acts of terrorism that occurred in the mid-eighties. Hon. members will recall what happened to the *Achille Lauro* and the *City of Porros* in the Mediterranean.

This bill provides for a number of positive measures. First of all, it confers powers similar to those that apply to air and rail transportation; it reinforces the security of passengers and the marine transportation industry; and it gives the minister the authority to call for stricter security measures when circumstances warrant.

Better security will above all help to keep the industry competitive with other countries that have taken similar measures. That is the strong point of this bill. As you know, we must make sure we remain competitive. Today, the United States has full authority over marine transportation security, and this year, it will implement IMO measures for cruise ships.

We all know that the United States has the authority to issue advisories indicating that foreign ports are dangerous. It has very active inspection program abroad. Since 85 per cent of cruise ship passengers are U.S. citizens, we must ensure that these tourists are treated according to the same standards in Canada as they are in the United States. The Port of Vancouver, for instance, has an interest in developing its tourist industry as does the Port of Quebec City, which receives increasing numbers of foreign tourists.

We cannot run the risk of losing money in an industry that is worth \$500 million today. An interesting point is that this legislation will cover ships, ports and marine facilities in Canada and ships registered in Canada anywhere else in the world.

Perhaps this would be a good time to urge Canadian shipowners to register their ships in Canada and to fly the Canadian flag. Above all, the Government of Canada which owns Marine Atlantic, among other things, must be called to order and it must display its pride by flying the Canadian flag and hiring Canadian

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sailors. This would mean work for many sailors and would help us to ease the tax burden of our citizens.

It is interesting to note that the scope of Bill C-38 extends to drilling facilities and platforms.

Several provisions in this bill give the government the authority to develop measures respecting the security of maritime transportation. The enactment also provides, when the regulations are contravened, for large fines and imprisonment in the case of an individual and for hefty fines in the case of a corporation.

It should be noted that the cost to the industry of implementing these provisions is acceptable. Vessels and ports which already comply with IMO measures will incur no costs in respect of this enactment, while those not already in compliance with these measures will incur costs of roughly \$150,000. The cost to the government of implementing security and inspection measures and of enforcing the regulations will also be negligible since inspection resources currently handling transportation security will be reassigned.

(1335)

While I did say that the costs involved were acceptable to the industry, I would like to temper my remarks somewhat. Pursuant to the new rules, this bill will be referred to a committee and I hope that my colleague and chairman of the transport committee, the hon. member for Hamilton West, will have the presence of mind to invite representatives of the industry to appear so that they can reassure us that this bill poses no major inconveniences or does not impede the development of ports in Quebec or in Canada as far as the cruise ship industry is concerned. Therefore, when I say that the costs involved are acceptable, I mean they are, subject to review by the parties concerned.

If the legislation passes, as I hope it will, the government will first have to ensure that the regulations provided for in the bill are drafted as soon as possible, taking care to duly consult with the industry and government departments. Many have already voiced their support for this bill and want to participate in the drafting of the regulations to ensure that they are consistent with the high standards of their members.

Second, it is important that the government move to have the legislation take effect as soon as possible. Failure to do so could result in the following problems: a lack of appropriate regulatory authority, a vulnerable transportation system and adverse effects on competition.

For this reason, our party supports the fast-track approach and agrees with the spirit of the bill.

In conclusion, as I mentioned, the official opposition supports the bill, on condition that regulations are adopted after the interested parties have been consulted and that the legislation and regulations take effect as soon as possible.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

(Motion agreed to.)

* * *

CANADIAN FILM DEVELOPMENT CORPORATION ACT

The House proceeded to the consideration of Bill C-31, an Act to amend the Canadian Film Development Corporation Act, as reported from committee (without amendment).

Hon. Christine Stewart (on behalf of the Minister of Canadian Heritage) moved that the bill be concurred in.

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

Some hon. members: Question.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

(Motion agreed to.)

Mrs. Stewart moved that the bill be read the third time and passed.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, in an ever-changing world where money is tight, we must make it our duty to expend boundless imagination in discharging our responsibilities towards Canadians.

The loan guarantee program put forward by our government flows from a lengthy analysis of the requirements of the film and video industry and is a clear indication of our commitment to dole Canadian taxpayers money out sparingly to maximize their return on investment.

(1340)

A fledgling industry 20 years ago, the Canadian independent film and video industry has grown into a major employer which produces high quality entertainment programs.

The economic significance of the film and video industry is beyond doubt. Since 1980, 700 per cent growth was recorded in this industry, with a similar growth in employment, as shown by 1993 figures from Statistics Canada according to which the industry provided over 51,600 direct and indirect jobs, which translated in terms of direct and indirect benefits, into a contribution to the gross domestic product in excess of \$1.8 billion.

The growth of the film and video industry is linked mostly to the federal government's support policies and programs in this area. The federal government has a dual responsibility. First, not to endanger 20 years of constant efforts to develop an industry whose growth prospects are not in doubt and second, to continue to act in an efficient manner by taking budget constraints into account.

The Loan Guarantee Program proposed by the government meets these criteria for it is fiscally neutral for the government while providing easier access to interim financing for television programs and films produced by Canadian companies.

Historically, Canadian financial institutions did not help finance the film and video industry mainly because of their unfamiliarity with the industry and its commercial practices. We think a \$25 million Loan Guarantee Program could generate, if used to its full potential, up to \$143 million in film and video production activity and up to \$300 in the Canadian economy as a whole.

The Loan Guarantee Program proposed today demonstrates the government's commitment to protecting Canadian cultural sovereignty while promoting optimum use of Telefilm Canada resources and expertise. It also meets specific needs by optimizing the performance of available resources and fostering a promising business partnership.

It also shows our confidence in the Canadian film and video industry and its entrepreneurs who, as we know, support our initiative. It is through this type of measure that the government intends to promote the development of a growing industry in the best interests of Canadian culture and unity. We think this program will be successful and are even considering extending the concept to other cultural industries.

The Deputy Speaker: I think it has been agreed that in the absence of the Official Opposition spokesperson, Reform members would have the floor.

(1345)

[*English*]

Mr. Monte Solberg (Medicine Hat): Mr. Speaker, I rise today to oppose Bill C-31. In my judgment Bill C-31 simply

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perpetuates the myth that without massive government interference there would be no culture in Canada. That is something my party does not believe.

When we look at all the agencies that the Canadian government subsidizes, from CBC to the National Film Board, to Telefilm, to the Canada Council, it amounts to well over two billion in taxpayer dollars a year. This money is spent on those things bureaucrats in this country identify as culture.

I have to wonder what would happen if we removed this massive subsidization and allowed that \$2 billion plus to stay in the hands of taxpayers and allow them to use that money to spend on the things they identified as culture.

Initially we would have a smaller cultural industry but it would be based on quality and not quantity. It would reward and recognize merit. When we walked into a bookstore and went to the Canadiana section we would be assured that whoever published any of the Canadian books had put their money into it feeling they were probably going to get money back out of it because it is a good book and not because they were being subsidized by the government to make sure it got on the shelves.

Consumers would like to know when they go into a bookstore that the books they are going to buy are there because they are good books and not because some government bureaucrat somewhere decreed this is a good way to spend taxpayers' money.

By subsidizing Canadian culture in all the different areas we send a message that our government does not feel our artists in all the different aspects of the art community can compete with artists from around the world. Why else would we be subsidizing them if the government is not sending that implicit message?

I have a great deal of concern about allowing bureaucrats to decide what pieces of culture are worthy of subsidization. In a free country and a free market generally speaking consumers are allowed to make those judgments and I think they make very good ones. They can decide what constitutes good art. They can decide what they want to purchase based on what interests them.

In Canada we let bureaucrats make those decisions many times. We let them hand out grants to all kinds of groups, like Buddies in Bad Times. This is a group that has been in the news recently. It is a homosexual theatre group and a very radically intolerant one. Recently when a Toronto *Sun* columnist, Christina Blizzard, questioned whether \$377,000 in Canada Council grants should go toward this group, not only did this group get very upset and take her to the media board in the province of Ontario, to the newspaper board, not only did it abuse her in the media, it also produced a play called "Dinner with Christina" in which it advocated raping her.

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That is complete garbage. To me it speaks volumes about the wisdom of some of the bureaucrats in this country who make those decisions. We do not have to stop there. There is a list as long as your arm of grants that go to groups like this.

(1350)

An hon. member: Give us a federal example.

Mr. Solberg: I will give a federal example. Canada Council recently spent money handing out a grant to a project called "A Linguistic History of Swahili". Another grant went out to something called "Anatomy of a Seance". Another grant went out to translate a book called *I Lost it All in Montreal*. Another went out to publish *Poems Released on a Nuclear Wind*. Of course the big one, there was \$3.3 million that went into that famous museum in Montreal, the Montreal Museum of Humour.

I would argue that if any taxpayer walked through the National Gallery through some of the huge rooms, some as big as a high school gymnasium, and looked around and in one corner saw a box of Brillo pads stacked up to the roof they would question whether that was a good use of their public money. Frankly, I did. I think it is ridiculous. Taxpayers would make a lot better choices if that money were left in their pockets to make decisions about what is art.

If they walked into another room a saw a bunch of bricks laying on the floor and somebody from the National Gallery told them that was art, they would say that is crazy. If they walked into another room and saw 256 pieces of felt laying on the floor they would probably conclude that they were renovating, putting in a new carpet. In fact, that is what they call art. That is ridiculous.

Any time we start handing out more and more money to the government so that it can then decide who should get that money based on its determination of what constitutes art, it is absolutely ridiculous.

We have to look at the situation with the CBC. Here we are again rewarding failure. Not only are its ratings dropping, not only is it programming all kinds of American programs throughout the day, in light of the fact it is undergoing a review of its programming right now, here we are suggesting it should be granted the right to borrow money.

That is exactly what we are considering doing with Telefilm as well. That is a crazy idea. I do not think we need to get into that. We should let the taxpayers decide. Does the government

not have faith in the ability of taxpayers to decide what constitutes art? Why not leave the money in their pockets?

Let me conclude by suggesting a great hoax is being perpetrated by bureaucrats in this country, by the government and by so-called artists. They are telling people: "If you give us money, we will give you art". They produce things they indeed call art. In the judgment of most Canadians I would argue this is not art. In fact in many cases it is garbage, absolute garbage.

Let us leave that \$2 billion plus in the hands of the taxpayers. Let us not support those kinds of things any more. Let us allow the people of Canada to make those decisions themselves.

The Deputy Speaker: There is no debate. The first three speakers have a free shot at the hon. parliamentary secretary. No questions or comments.

Because of a reversal—

[*Translation*]

—in the order of speakers, it is now the Official Opposition's turn. The hon. member for Richelieu has the floor.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I would say to the hon. member that we will be pleased to hear him right after Question Period, even though we know that his objectivity is sometimes questionable; however, that does not stop me from being on very good terms with him, as I have been for a long time.

The Bloc Quebecois supports this bill. As I said on second reading, it is the result of three years of negotiations. It began under the Conservative government and continued under the present government between the Department of Communications, Treasury Board, the Department of Finance and Telefilm Canada. It finally meets the expectations of the creative community. It is pretty much what the stakeholders concerned wanted.

(1355)

I will be very brief in explaining the support that we want to give because I think this is not the time for speeches. The parties gave their positions very clearly on second reading. We are at last finalizing this issue and ensuring that Telefilm Canada will have the wherewithal to support the creative artists but not to stray from the goals for which it was created.

Remember that its purpose is to help not only more commercial productions but also more specialized creative work with narrower appeal that still falls within the principles which the House of Commons defended when Telefilm Canada was founded.

At this point, I have only one question about this bill, namely that this very important aspect of more limited and specialized creative work is overlooked and too much emphasis is put on subsidizing big commercial projects and that with the funds made available by this borrowing authority, the part that is too commercial could be favoured.

I would point out that Quebec's SOGIC worked in the same way, trying to promote equity between commercial and documentary productions. I hope that Telefilm Canada will take the same course as Quebec's SOGIC. Bill C-31 will be a healing balm for producers in Quebec and Canada who are waiting for the government to bring forth another essential measure for the survival of this industry.

As I said last time in my speech, this measure is a tax credit to replace the current tax shelter for depreciation. A tax credit would directly and totally benefit Canadian production of films and videos, unlike the present tax shelter.

It is estimated that only 7 per cent of the cost of this tax measure is reinvested in actual Canadian production and the tax credit requires no investment of additional funds. So, I urge the government to take heed of this request concerning the tax credit. It would not cost anything, it would not require any additional funds nor any guarantee, and it would ensure that this change concerning support to Telefilm Canada will provide a lot of funds to a corporation which represents us so well and which produces a lot of quality work. As I said earlier, we hope that it will not neglect the type of documentaries which it has produced so far; indeed, it might be tempted to get away from such production, given the measures announced today.

The tax credit, which was created in 1990, is a real success story and it truly serves the interests of the Quebec film industry. Once again, I want to congratulate the minister responsible and the government for dealing promptly with an issue which had been pending for three years. Instead of creating a new committee, as is so often the case, the government started with the solid base already in place and added the last element to provide a concrete solution which meets the expectations of Telefilm Canada.

We should have proceeded like this with several other issues. We could, of course, find other possible amendments. However, I will conclude by reiterating our support and by hoping that this bill will be passed as quickly as possible. For this reason, I think that once the three speakers representing the government, the Reform Party and the Bloc are finished, there will be no point in discussing this legislation any longer.

The people at Telefilm Canada expect a concrete measure before we adjourn for the summer, since this will have an impact on their activities in September. Consequently, we should deal with this bill right away.

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I will be the last speaker for the Bloc Québécois regarding this issue. I think that the Reform Party will also conclude, and we expect the government to do the same, so that we can proceed with the vote as quickly as possible.

Once again, I wish luck to Telefilm Canada and I hope that the government will take into consideration this aspect of the tax credit which is really a success with the Quebec corporation SOGIC.

(1400)

The Speaker: Dear colleagues, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

FORESTRY

Mr. George S. Rideout (Moncton) Mr. Speaker, this morning the Minister of Natural Resources announced the tabling of the report on the state of Canada's forests, 1993.

The theme of this year's report, "Forests, A Global Resource", reflects Canada's recognition that the management of our forests has implications far beyond our national borders. Canada has assumed a leading role in global dialogue on the sustainable development of forests.

This year's report on the state of Canada's forests highlights a number of Canada's initiatives in pursuit of this goal, including the development of criteria and indicators for sustainable forest management and the establishment of a national and international network of model forests.

[Translation]

I want to take this opportunity to urge every member to read this report and get ready for the public debate on the future of our most precious natural resource.

* * *

NATIONAL PUBLIC SERVICE WEEK

Mr. René Laurin (Joliette): Mr. Speaker, this week is National Public Service Week, and I want to salute the tens of thousands of people who serve the public.

These days, being a public servant is no easy task. The pressure and the expectations are unrelenting, and yet this government rarely, if ever, shows its appreciation.

In a society which has undeniably become more complex and more difficult to understand in all its aspects, the role of public servants is essential to our economic and social development.

S. O. 31

Often, it is public servants who remind the government of the citizens' real concerns.

I take the opportunity of this week dedicated to public servants to acknowledge the professionalism and skills of all those who work behind the scene to serve the public.

* * *

[*English*]

THE FAMILY

Miss Deborah Grey (Beaver River): Mr. Speaker, fairness is integral to Reform Party policy. This principle must apply to the family in Canada. In particular single parent families are hard pressed to make ends meet. According to yesterday's CTV Angus Reid poll only a third receive the support payments ordered by the courts.

To ensure that single parents receive adequate provision for their needs we recommend two courses of action. First, we recommend a study to determine the real cost of raising a child. This study could be used by the courts to more accurately determine the level of support required.

Second, we advocate that stronger action be taken against parents who are delinquent on their support payments. Government ought to provide more effective legal tools to single parents that would help them recover missing support payments anywhere in Canada, not just provincially.

Reformers are sensitive to the needs of single parent families across our nation and call upon the government to respond to their needs fairly and consistently.

* * *

THE GREAT LAKES

Mr. Ivan Grose (Oshawa): Mr. Speaker, On Saturday, April 30, I had the honour to announce on behalf of the Deputy Prime Minister and Minister of the Environment that Environment Canada would contribute \$600,000 to support a valuable community project in Oshawa to rehabilitate and showcase the Oshawa Second Marsh.

This is the second year the federal Great Lakes cleanup fund will contribute to this co-operative community project. It demonstrates a partnership commitment to the Great Lakes cleanup and to innovative techniques for the rehabilitation of fish and wildlife habitats.

The Oshawa Second Marsh Project, a 117-hectare wetland jewel along the Lake Ontario shoreline, is a community initiative successfully demonstrating this approach. In total the federal government will contribute \$1.3 million through the Great Lakes cleanup fund. This is a valuable component of Great Lakes 2000 which provides resources to help develop and restore the Great Lakes ecosystem through innovative technologies and remedial programs.

(1405)

PARLIAMENTARY PAGES

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, a few weeks ago I was asked by one of the parliamentary pages if I would sponsor a reception for them. Of all the members of Parliament they chose me. I was quite surprised and honoured.

Today I stand before the House to pay tribute to the pages because without them we would not be able to function as efficiently and as effectively as we do. These young women and young men are extremely bright, highly motivated and possess a particular charm which I hope each one of us has had the opportunity to experience.

I have on occasion had the opportunity to talk with many if not all the pages. I truly admire their commitment to their duties as well as their ability to thoroughly enjoy what they are doing. They have at times made my job a lot easier. I only hope I did not make their job more difficult.

As we will soon be saying goodbye to this particular group of pages, I wish them all continued success in their future endeavours. I ask my colleagues in the House to join me in an ovation to show our sincere appreciation.

Some hon. members: Hear, hear.

* * *

ABORIGINAL AFFAIRS

Mr. Jack Iyerak Anawak (Nunatsiak):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

The lands of the Inuvialuit in the Western Arctic and those of the Blood Tribe in Alberta are a long way from any south sea island, but last week in both regions major aboriginal achievements were celebrated.

On June 5 the Inuvialuit celebrated the 10th anniversary of its land claim settlement. This historic agreement achieved a sharing of lands, resources and decision making that continues to benefit the Inuvialuit, the Northwest Territories and Canada.

On June 9 the Blood Tribe celebrated the first delivery of water under its irrigation project, an impressive project of tribal and government partnership which expands economic and employment opportunities for all.

I salute these positive examples of mutual respect, sharing, accommodation and co-operation. I congratulate the Inuvialuit and the Blood Tribe for their vision, drive and generosity, and I wish them continued success in their endeavours.

[Translation]

JEUNES DU MONDE

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, some collective gestures are welcomed with enthusiasm and admiration. Students in the town of Thetford, in my riding, have raised \$5,500 in support of people in Rwanda and Burundi, showing their generosity and compassion.

This initiative sponsored by a youth group called Jeunes du Monde was such a success that these young people, mostly high school students, are challenging other Quebec areas and the rest of Canada to match their efforts. If the 600 high schools in Quebec were to meet this challenge, they would raise over \$3.5 million on behalf of these two civil war-torn countries.

The Thetford experience may only be a drop in the ocean, but it is small gestures like this one which change the world.

* * *

[English]

YOUNG OFFENDERS ACT

Mr. Cliff Breitzkreuz (Yellowhead): Mr. Speaker, Julian Waites was a boy who found himself in trouble with the law. He faced over 40 charges in youth court, mostly theft related. He played the Young Offenders Act like a harp knowing precisely which strings he could pull and when.

His mother, Mary, desperately wanted the courts to punish her son so he would be deterred from repeat offending. She wanted the courts to give him a jail sentence, send him to work camps, anything that would make the young boy think twice about repeat offending.

Julian was incorrigible. He resisted help from his family and the law allowed him to continue his life of crime. Today Julian Waites faces charges of sexual assault, assault with a weapon, and uttering threats.

Mrs. Waites largely blames the inadequacies of the Young Offenders Act for her son's current troubles. He was not punished for the crimes he committed as a youth and his mother says the Young Offenders Act actually encouraged him to repeat offend. Mrs. Waites is convinced that a tougher Young Offenders Act might have given her son a chance at a normal life.

* * *

YOUNG OFFENDERS ACT

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, recent polls have confirmed that Canadians are demanding action on crime and violence.

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I applaud the Minister of Justice for his commitment to ensuring that Canadians will live without fear for their personal safety.

(1410)

The red book has outlined many measures which will ensure our safety and security. A tough line on violence, stricter penalties, the reform of the Young Offenders Act and further control of violent pornography were all included in our campaign promises.

The government must continue to take the lead on addressing root causes of crime. Unemployment, hopelessness, the breakdown of families and the use of illegal drugs all contribute to a more violent and unsafe society.

Canadians are a non-violent and peace loving people. We must continue to respond with comprehensive, effective approaches to the issues of crime and punishment.

* * *

THE ENVIRONMENT

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I have had the pleasure of receiving packages of comments from visiting students from St. Patrick's School in Schomberg and Morning Glory Public School in Pefferlaw. Both are located in my riding of York—Simcoe.

Overwhelmingly these young people have indicated that the environment is their number one concern. Here is a sample of some of their comments: "Our environment is precious". "People should be aware of the pollution they cause". "The environment is important to look at first because we may not have much time left".

* * *

GUN CONTROL

Mr. Paul Zed (Fundy—Royal): Mr. Speaker, our office has received numerous letters, petitions and phone calls from concerned constituents in New Brunswick about speculation regarding further regulations for rifles and guns. There is a great deal of misinformation being circulated with regard to the government's intention.

The government is considering options that will address the issue in a fair and responsible matter. These include tough jail sentences for gun related crimes, increased border controls to combat smuggling, a universal firearms registration system to track gun ownership, additional restrictions on handguns, a possible ban on military assault weapons and tighter controls on the sale of ammunition.

I understand the government does not want to ban ordinary rifles and shotguns owned by law-abiding citizens. In fact the Minister of Justice stated in the House last week that he had no desire to unnecessarily inconvenience responsible gun owners

S. O. 31

such as farmers and hunters who use firearms for lawful purposes.

I urge the Minister of Justice to maintain this rational and sensible approach on measures he will introduce to combat gun related crimes.

* * *

THE STANLEY CUP

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, tonight Quebecers and Canadians who are hockey fans will be able to watch the seventh and final match of the Stanley Cup playoffs between the Vancouver Canucks and the New York Rangers.

Having seen many similar events in Quebec since the Montréal Canadiens won the Stanley Cup some 24 times, and in spite of all political differences that oppose us periodically, we of the Bloc Québécois wish to share with the people of Vancouver and of British Columbia their enthusiasm in the quest for their first Stanley Cup since 1915.

How remarkable that hockey once again is fostering good relations between peoples of different origins and cultures. In the name of all Quebecers for whom hockey is the object of great national pride, we want to express to all our friends in British Columbia the very best of chances tonight.

Go Canucks, go.

Some hon. members: Hear, hear.

* * *

CANADA COUNCIL

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, on a different topic and graver note, a homosexual group funded by the federal government is guilty of gross intolerance toward a Toronto *Sun* columnist.

Last December Christina Blizzard of the *Sun* wrote a story questioning whether public funding should be going to Buddies in Bad Times Theatre in Toronto, a group which advertises live sex acts and violent sado-masochistic seminars.

The actors reacted by encouraging members to spit on Ms. Blizzard. They tried to storm the Sun Building to present her with a mock award depicting a bloody mallet. In her own neighbourhood they erected wanted posters of her filled with lies and allegations.

(1415)

They directed a violent play against Ms. Blizzard entitled "Dinner with Christina" which suggested that what she and other people like her they really needed was to be raped late at night in an alley. This disgusting behaviour by Buddies in Bad

Times was made possible by \$60,000 a year in Canada Council grants.

I urge the minister not to hide behind the arms length principle and immediately initiate an evaluation of the organizations currently funded by the Canada Council.

* * *

SERIAL KILLER CARDS

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, we as parliamentarians must do everything possible to ban the sale and distribution in Canada of serial killer cards and board games intended for children. I rise to say that I am greatly encouraged by steps that the Minister of Justice has taken in this regard. By his actions, the minister has shown that this government is committed to taking measures that will protect our children from exposure to material that glorifies violence, cruelty and horror.

On behalf of the constituents of Hastings—Frontenac—Lennox and Addington, I call on the members of the justice committee to amend the customs and tariffs legislation to prohibit the importation of serial killer cards into Canada.

Let us try to put an end to these kinds of perverted, profit motivated, marketing gimmicks aimed at corrupting the minds of our children.

* * *

FIRST NATIONS

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, as a Vancouverite let me thank the Bloc Québécois for my constituents in Vancouver East for supporting the Canucks. Go Canucks go.

On Friday, I had the privilege of attending a convocation ceremony in Kamloops, B.C. Fifteen aboriginal people, members of the Shuswap band, earned Bachelor of Arts degrees from Simon Fraser University. They were the first graduates of a joint program established between the Secwepemc Cultural Education Society and Simon Fraser University, which allows them to do their studies in Kamloops.

It was an emotional but very proud event. I am glad to inform the House that there are now 300 students enrolled in the program and that at the ceremony the Minister of Indian Affairs and Northern Development reaffirmed support for such programs by the federal government. This is just one of the ways in which the First Nations are continuing to make their members independent. Let me congratulate the Shuswap band, the Secwepemc Cultural Education Society and Simon Fraser University for such an endeavour.

ORAL QUESTION PERIOD

[Translation]

HAITI

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the federal government has asked Canadian nationals to leave Haiti by June 25, in other words, before air communications between Canada and Haiti are suspended. However, we still do not know Ottawa's position on the use of military intervention to drive out the junta and allow the return of president Aristide.

I want to ask the Minister of Foreign Affairs to indicate whether Canada is among the countries that are putting pressure on the United States to send a force for military intervention in Haiti.

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, the Leader of the Opposition asked a similar question some time ago, when he spoke out in favour of military intervention. We prefer a peaceful solution. We want to avoid killing people, if at all possible. There has already been too much of that in Haiti. We hope that we will be able to make the military listen to reason and persuade them to leave and let president Aristide come back to his country, but without endangering the lives of the Haitian people who are now very vulnerable, in a situation that could degenerate into armed conflict.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the government's efforts to bring about a peaceful solution in Haiti are not without merit, but we must remember that what is happening there today is not very peaceful and that in some situations, we must know how to act effectively with the means at our disposal.

I want to ask the minister why he still believes that reinforcing trade sanctions could bring about a peaceful solution to the Haitian question, since so far, strengthening trading sanctions has had no effect at all on the military junta.

(1420)

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I want to thank the Leader of the Opposition for supporting the government's action which is aimed at convincing the military that it is in the interests of the Haitian people and in their own interests to yield to president Aristide and to do so as soon as possible.

I am encouraged by the energetic action taken by the Organization for American States which unanimously embraced the position proposed by the personal representative of the Secretary General of the UN, Mr. Caputo. Second, I am also encouraged by the decision of the authorities of the Dominican Republic to establish a more secure and effective system to control the border between Haiti and the Dominican Republic.

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On that basis, I believe that the total embargo will be effective and will convince the military to yield.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, one can decide on a strategy and hope it will succeed, but one must also realize the strategy may fail and plan accordingly.

In this case, the military junta has not budged so far. In fact, it has hardened its position and become out and out arrogant, witness the recent inauguration of a puppet president to head a puppet government.

I want to ask the minister whether all this hesitation on his part merely means that he will probably wait until the Haitian president's term is up and then realize that nothing more can be done and that all these measures were strictly dilatory measures.

[English]

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, Canada has supported unequivocally President Aristide. We are working with other countries, particularly the four friends of Haiti, in order to bring about as quickly as possible the return of President Aristide. I think the Leader of the Opposition knows this very well. Whatever the implications are, they are unfounded.

It is quite clear that in co-operation with others, particularly France, the United States and Venezuela, we are hoping to achieve total sanctions, a policy that will bring about the departure of the military forces and the return of President Aristide.

* * *

[Translation]

RAIL TRANSPORTATION

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, the Minister of Transport is proclaiming the end of the great Canadian national dream. His intent is clear. Rather than make our national rail system more efficient, the Minister has decided to pull out of the rail transportation sector, arguing that it is more important for Canadians and Quebecers to keep their social programs.

Can the Minister of Transport confirm if the planned abandonment of rail lines is part of his own department's expenditure reduction plan and will he concede that his desire to rationalize the rail system is fundamentally tied to his goal of eliminating nearly 15,000 jobs at Transport Canada?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, the future of Canada's rail system depends primarily on the public's use of this mode of transportation.

My hon. colleague knows full well how important it is to maintain an adequate level of service for all modes of transportation, including passenger rail service. However, the cost of these operations cannot be ignored and we are currently

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conducting a review of Canada's entire transportation system, including VIA Rail.

I want to assure my colleague that any decisions that will be taken will be in the best interests of all Canadians.

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, the frequency and quality of services obviously influences passenger traffic.

Are we to understand that the government is preparing to abandon major railway lines in several regions without directly consulting the people affected or involving them in the decision-making process and without consulting the Standing Committee on Transport?

[English]

Hon. Douglas Young (Minister of Transport): Mr. Speaker, there is a very well established process for the abandonment of rail lines or passenger services. On the question of CN and CP, it is through the National Transportation Agency. With respect to VIA rail there is a system in place where abandonment can only be achieved through order in council.

(1425)

There is no imminent decision with respect to the closure of any services that are currently being offered by VIA Rail because as VIA Rail officials are waiting for the results of their negotiations with their employees, so is the Government of Canada. Any rationalization of services with respect to VIA in Canada will only be decided upon after we have seen what the result of these current labour negotiations are.

* * *

PEACEKEEPING

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I would like to begin by welcoming the Prime Minister back home and thanking him for his moving representation of Canada at the D-Day ceremonies.

Some hon. members: Hear, hear.

Mr. Manning: And now down to business. On his trip the Prime Minister visited Bosnia. He expressed dissatisfaction with the situation there and threatened to remove Canadian troops. This comes at a time when American proposals to lift sanctions against Bosnian Muslims have caused the Russian foreign minister to threaten that such action might bring the world back to the cold war.

My question to the Prime Minister is what criteria will determine whether or not Canadian peacekeeping troops remain in Bosnia?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I thank the Leader of the Reform Party for his kind words.

I was in Bosnia and found the situation there terrible. I think that everybody there wants peace. I had occasion to meet with the soldiers, who are doing a fantastic job. By the way, they are a regiment from Calgary. I talked with them. In talking with the citizens there, I found that everybody wants peace.

If we were at this time to lift the arms embargo, the war would start again. We believe that we have to be there to maintain peace. I said to the Prime Minister that they have to sit down and negotiate an honourable peace for everybody. Lifting the arms embargo would be conducive to more war.

We have troops there, as do the French and the English. It is easy for the United States Congress to lift the embargo. They do not have soldiers in the field. We do.

I want to make it very clear that we are there to maintain peace, but if the war starts again, we will have to review the decision. We have had two votes on this issue here in this House of Commons and I am grateful that the members sustained the position of the government.

After consultation with my colleagues the President of France, the Prime Minister of Great Britain and others during my visit to England and France, I came to the conclusion that lifting the embargo was the wrong decision. We want peace. The best way to keep peace is not to arm the people but to foster a situation where there will be real disarmament and to have a negotiated settlement between the people who live there and who want to live peacefully.

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

Many Canadians are concerned that Canadian foreign policy in regard to UN peacekeeping operations is either adrift or is being made up on a peace by peace basis. They would like the government to be more precise on the criteria and guiding principles which determine whether Canada supports UN sanctions or peacekeeping operations in particular situations.

The next hot spot in which Canada could find itself enmeshed is Korea. Northern Korea has said it would consider any imposition of UN sanctions as a declaration of war.

Could the Prime Minister tell us what criteria the government is applying to determine what role Canada should be playing to ensure a peaceful and positive outcome on the Korean peninsula?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the criteria are very simple. We come to the House and ask the

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views of members of Parliament. The basic approach is common sense. We look at the situation and we decide if it makes sense to carry on.

(1430)

We are there as peacekeepers. We have to make sure we are there under the umbrella of the United Nations. When the United Nations proposes rules that should apply against some nations we respect them. These are the criteria we respect. It is very simple. The basic criteria is what makes sense. I do not think to carry on with the war in Bosnia makes any sense.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I am sure it is important for the government to know it has public support for whatever criteria it uses to determine Canada's role in supporting UN sanctions or peacekeeping operations.

Recently Switzerland in its democratic decision making tradition conducted a national referendum on whether or not to play a more active role in United Nations sponsored peacekeeping.

What plans does the government have for securing public understanding and public endorsement of its criteria for determining how Canada will respond to future United Nations peacekeeping requests?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the best way is to consult members of Parliament who have been duly elected by the people of Canada.

* * *

[Translation]

MIL DAVIE

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Prime Minister.

According to an analysis by the MIL Davie survival committee, this Quebec shipyard received only 8 per cent of shipbuilding contracts awarded by Ottawa in Eastern Canada since 1986. After submitting a business plan to the government, MIL Davie is still waiting for an answer regarding the project to build a new ferry for the Magdalen Islands.

Given the underrepresentation of MIL Davie in federal contracts since 1986, does the Prime Minister admit that the federal government itself put the shipyard in a difficult position and that one way to correct the situation would be to award the ferry construction contract to this company immediately?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, the hon. member refers to the recovery plan, the business plan for the MIL Davie shipyard.

Last week, I had the opportunity to speak with the company's president and I then explained to him the Canadian govern-

ment's position, namely that the business plan, the recovery plan proposed by the company's management has not yet been approved by the employees because we know the results and what happened with the vote taken by the employees at management's request.

We are still at that stage and are waiting to see if we can really help maintain jobs at MIL Davie, either by having a ship built to replace the *Lucy Maud Montgomery* or by other means. We are still waiting for a final plan that has been approved not only by the company's management but also by its employees.

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is again for the Prime Minister as the MIL Davie workers have been waiting to hear from him since his election campaign visit.

Does the Prime Minister not admit that, while Quebec was rationalizing its shipyards, the federal government itself compounded the Lévis shipyard's difficulties by continuing to support Eastern shipyards and by building from scratch, at a cost of tens of millions of dollars, the new Bull Arm shipyard in Newfoundland, as part of the Hibernia project?

[English]

Hon. John Manley (Minister of Industry): Mr. Speaker, essentially the member is asking about the application of the rationalization of shipbuilding policy which was effected by the previous government and supported of course by the current leader of the Bloc Québécois.

This policy has seen the rationalization of shipyards not only in Quebec—and I see he is agreeing with that—but also in British Columbia, and in the recent announcement of a closing in Pictou. We are seeing that the rationalization policy has its impact throughout Canada. There is a continuing need for it. It is unfair of the member to suggest that the effect of that policy has fallen on only one province.

It is difficult for Canadian shipbuilders to compete in a very competitive international environment where they face significant subsidy challenges from other countries. It is in dealing with those challenges that we are trying to arrive at the best possible solution for MIL Davie as well as for the Canadian shipbuilding industry.

* * *

(1435)

THE FAMILY

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, yesterday the government admitted to considering alternative definitions for family within government programs. The implications of broadening that definition of family are enormous. Redefinitions such as relationship would cause profound change reaching into every corner of our society.

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Can the minister of immigration tell the House how a broader definition of family would affect immigration issues such as family reunification or refugee determination?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, the hon. member shares the critic portfolio with her colleague from Calgary. She therefore knows that one of the working groups on the consultations is looking at the definition of family.

There are definitions of the nuclear family. Other peoples, and other cultures of the world have the extended family. Some people are suggesting the dependency age should be changed from where it is at 19. This valuable discussion is ongoing. We await the results of the consultation process to look at how Canadians have dealt with that issue across the country.

Mrs. Sharon Hayes (Port Moody—Coquitlam): Mr. Speaker, I understand the Liberals may be slightly confused with the nature of family because it is really not part of the red book concept.

Although historic and current legal definitions world-wide agree on what a family is, the government seems to be waffling on this vital issue. Given that many statutes and regulations refer to the family, can the Prime Minister tell us if he agrees that the family should be open to redefinition.

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, if there is any confusion, it is clearly in the minds of members of the hon. member's party.

Obviously the member, who is a member of the Standing Committee on Citizenship and Immigration, is very confused because she does not understand the consultative process. She does not understand there is a working group. She does not understand there are public hearings. She does not understand or will not accept that Canadians have been invited to talk to us about the major issues. This is from a member of a party that always suggests we should listen to the people and that is exactly what we are doing.

* * *

[Translation]

TAINTED BLOOD

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. The extension of the tainted blood inquiry will result in additional costs to the government. The inquiry presided by Judge Krever will cost \$11 million, or four times the initial budget of \$2.5 million.

My question is as follows: Will the Minister of Health confirm that the government has granted a further \$8.5 million to the Krever commission to enable it to carry out its mandate adequately?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we take our responsibilities very seriously. This inquiry is a very serious one. Judge Krever has requested both additional funds and additional time. We have already stated that we were granting him additional time and we did provide him with the money he requested because he deemed it necessary.

Mrs. Pauline Picard (Drummond): I have a supplemental, Mr. Speaker.

Can the minister tell us whether part of the additional funds provided to the Krever commission are earmarked for the Canadian Hemophilia Society so that it can participate fully in the inquiry and protect the interests of its members who are the principal victims of this situation?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, representatives from the Canadian Hemophilia Society are scheduled to appear before Judge Krever and it will be up to him to determine how much the organization will receive.

* * *

(1440)

[English]

CRIMINAL CODE

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, my question is for the Minister of Justice.

Last week the minister confirmed that section 43 of the Criminal Code, which allows parents to use reasonable physical discipline, was being reviewed. The former Minister of Justice stated in May 1993 that the general direction of the departmental review was to investigate the possibility of children receiving the same protection against assault as adults have under the Criminal Code.

Would the minister tell us if the department is still following this direction? Would such protection effectively make it illegal for parents to use reasonable discipline with their children?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the review that is now under way in the Department of Justice was undertaken following this country's signing of the UN accord with respect to the rights of children. This international convention committed Canada along with other civilized countries of the world to prohibitions against the use of excessive force toward children in any context.

As a signatory to that UN convention, Canada became obligated to review its own domestic laws to ensure they reflect that international principle of basic decency. That is the reason for the review. That is its purpose and that is its scope.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, last week the minister stated that the review of section 43 was merely part of a general review. In June 1991 the former Minister of Justice stated that \$7.1 million would be devoted to

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a three-year study. The three years is now up. In March the Toronto *Star* reported that 70 per cent of Canadian parents felt that physical discipline was sometimes needed for effective parenting.

What are the reasons for the government to interfere with the freedom of parents to effectively raise their children by spending significant amounts of taxpayers' money on reviewing legislation which a majority of parents feel should remain the same?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have no intention of elaborating upon objectives that may have been in the mind of the last government or a previous minister.

Instead, I will concentrate on the purpose of the study at the justice department. As I have said, it is linked directly to our international obligations to ensure that our domestic laws reflect the accord among all civilized nations of the world that we prohibit the use of excessive force against children. That is exactly what we are looking at in this study.

* * *

[Translation]

ILLEGAL DISMISSAL

Mrs. Christiane Gagnon (Québec): Mr. Speaker, my question is for the Minister of Justice. On April 20, the Federal Court rendered a decision on Ms. Pitawanakwat's case. She was dismissed by the former Department of the Secretary of State in March 1986. The court concluded that her dismissal was illegal and due only to racial discrimination against this native woman. Despite this victory and eight years of legal proceedings, the government still refuses to reach a negotiated settlement on the amount of compensation, among other things.

Can the Minister of Justice tell us if he intends to settle with Mary Pitawanakwat before the deadline of June 17 set by the parties for reaching an agreement?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can tell the hon. member that we are very much aware of the need to reach a resolution of this case at the earliest possible time.

I met with Mary Pitawanakwat last Thursday in Regina and yesterday here in Ottawa when she was present for the National Action Committee on the Status of Women meeting. I assured her that through counsel at the Department of Justice and her own lawyer we are committed to the negotiation of the resolution of all outstanding claims as soon as possible. I have satisfied myself that those negotiations are continuing.

Following the court judgment in April we received instructions from the client department, the department of heritage, to enter into negotiations which have resulted already in some measure of agreement. There are still issues outstanding and we are working toward their resolution at the earliest possible time.

[Translation]

Mrs. Christiane Gagnon (Québec): Mr. Speaker, how can the Minister of Justice explain that a seriously ill woman who has two children and was dismissed illegally must use all her resources and all her energy in court for eight years to obtain justice?

(1445)

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, my familiarity is particularly with respect to those months since this government has been in office and I can tell the hon. member that, as I already have mentioned, we are committed to the earliest possible resolution of his case, particularly in light of all the circumstances of which we are very much aware.

* * *

DAIRY FARMING

Mr. David Iftody (Provencher): Mr. Speaker, my question is to the minister of agriculture. The standing committee on agriculture has a report with recommendations on the BST which must now be addressed.

Specifically the report addresses the one-year moratorium on the sale and distribution of this hormone product that was requested by the committee.

When will the minister respond as required by the rules of this House and provide Canadian dairy farmers with some certainty on this important matter?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, first of all I would like to acknowledge the very hard work on the BST issue that was done earlier this spring by the standing committee of agriculture of this House.

On the precise issue of licensing or the matter of whether to issue a notice of compliance, I would advise the House that issue is fully and entirely within the jurisdiction of the Minister of Health. I know the Minister of Health will be making her decision in accordance with all the applicable laws and regulations in due course and that matter is entirely within her purview.

With respect to the government's specific response to the recommendations of the standing committee, I have not had the opportunity yet to consider those recommendations with my Cabinet colleagues but I do expect to have that opportunity

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soon. While I cannot absolutely guarantee it, I would hope to be able to provide the House with the necessary response under the rules of the House hopefully before the House adjourns on June 23.

* * *

TAXATION

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, my question is for the Minister of Finance. The present tax system is unfair in its treatment of families. A victim of the current tax system is single income families. The difference in taxation between the single income family in which one parent stays at home to care for their children and the family in which both parents work is substantial and can range from \$3,000 to \$6,000 per year when the family income is \$60,000.

When will the government start to treat all families fairly?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the tax system in our country has been based on an individual tax system. It is not a family tax system. We do not have joint returns in this family and we do treat all taxpayers as fairly as possible.

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, a recent Angus Reid CTV poll indicated that whenever possible caring for children in their homes was the preferred method of child care by Canadians. However, by interfering with family choices and penalizing families with stay at home parents, the current tax system prevents Canadians from achieving their preferred care for children at home.

Will the government introduce a bill to rectify this inequity?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the matter that is referred to by the hon. member is a question that has come up previously.

I do not think we are going to introduce bills on that particular basis. We have a number of family systems in this country. A large number of people operate from single families, single person families, families in which both parents are working, and the child support part of our tax system is an important aspect to them.

* * *

[Translation]

FLAGS OF CONVENIENCE

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, last week, we asked the Minister of Transport to tell us if some federal government ships were flying a Bahamian flag of convenience. On June 11, the director of public affairs with Marine Atlantic, Mr. Ted Bartlett, confirmed that three of his ships were registered abroad and were flying a foreign flag.

My question is for the Minister of Transport. Since we now have confirmation that three ships from Marine Atlantic, which is wholly-owned by the federal government, are flying a foreign flag, will the minister explain why this is the case?

(1450)

Hon. Douglas Young (Minister of Transport): Mr. Speaker, first I want to thank the hon. member for raising this issue again, since I just had the opportunity to review it.

It is true that three ships from Marine Atlantic are registered in the Bahamas, but I should point out to the hon. member that this has been the case for several years. I was not aware of that when the issue was first raised in the House. The hon. member could certainly have discussed it with the Leader of the Opposition, since the situation already existed when he was a cabinet member.

We will review the issue, but it is easy to see how it came about. The measure was taken precisely to avoid costs for the Government of Canada.

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, could you remind the Minister of Transport that the hon. Leader of the Opposition left the Conservative Party in May 1990, while I will inform the minister that the *Bluenose* was bought in 1982 and the *Marine Evangeline* in 1978, under Liberal governments.

Since that dubious practice dates from the Liberal governments of the time, will the minister pledge to this House that such practices will no longer be used?

[English]

Hon. Douglas Young (Minister of Transport): Mr. Speaker, to make sure we are clear, there is no question this matter has been ongoing. The ships in question have been flying the Bahamian flag. It is true that it has been going on for a long time. I am aware of when the Leader of the Opposition resigned his position and changed his allegiance.

What I do want to make very clear is that the three ships in question were under Bahamian flag throughout the period when the hon. Leader of the Opposition was a member of the government. We have been here for seven months. I am glad it has been brought to our attention. We will see if we can do something about it.

* * *

DISCRIMINATION

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Last Wednesday the minister said that he is profoundly against discrimination as a principle. As a result of this principle the minister withdrew funding for the "Writing Thru Race" conference because it discriminated on the basis of race. I applaud the minister for this decision and for standing firm on his principles.

Oral Questions

Is the minister also prepared to withhold public funding from organizations or events which discriminate on the basis of gender?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I believe this a hypothetical question because I have not been faced with an issue of this nature.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I can assure the Minister of Canadian Heritage that this supplemental is not a hypothetical question.

Reformers believe that all Canadians ought to be treated equally before the law. We oppose discrimination for any reason.

The president of the National Action Committee on the Status of Women has said that men are refused membership in its organization on the basis of gender.

On this basis will the minister withdraw all federal funding for the National Action Committee on the Status of Women?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Mr. Speaker, I am sure my hon. colleague, the Minister of Heritage, and all members of this House will agree that the question of women is not a special interest group.

(1455)

I would also suggest to my hon. colleague that there are special interests that are the interests of society contained in presentations made by many women's groups. I have met with many different women's groups over the period of many years.

I would like to suggest to the hon. member that trying to play games of this nature in the interest of the women and children of this country is far from an acceptable manner of procedure.

* * *

BLOOD FRACTIONATION PLANT

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Health and it concerns the proposed Red Cross blood fractionation plant.

As the minister is aware, after Halifax was chosen as the site of this plant, several provinces that lost out on the project demanded and got a review on the economics and the need for such a facility.

The committee now reports that there is a need and now some of those same provinces that lost the bid to Halifax want the site selection process reopened.

Is the minister satisfied that there is indeed a need for such a plant? If so, will she encourage those provincial counterparts to stop playing politics and support the construction of this plant at the chosen site in the province of Nova Scotia?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I thank the hon. member for his question.

I understand the concerns of Nova Scotia on this issue. However, my role and the role of Health Canada is that of a regulator. We licence and inspect such a facility wherever it is built in Canada and we approve its products.

Now that the concerns of the Canadian blood agency have been addressed by the blue ribbon panel which was selected and put in place by the ministers of health across the country, I hope and expect this dossier will move forward expeditiously.

* * *

[Translation]

FORESTRY

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, my question is for the Minister of Natural Resources. The Parliamentary Secretary to the Minister of Natural Resources stated recently that the government hoped to maintain its financial commitment towards Quebec's private forests.

The Minister of Natural Resources, on the other hand, stated that her department did not have sufficient funds to do so and that any additional financing would have to come from the Federal Office of Regional Development.

Will the minister confirm her intention to ask her colleague, the Minister responsible for the Federal Office of Regional Development—Quebec, to dip into his budget to extend federal financial commitments for private forests in Quebec? If so, has she obtained a commitment from her colleague to that effect?

[English]

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, I thank my colleague for that question.

I can assure him that my colleague, the Minister responsible for Regional Development in Quebec, and I plan to meet with the private woodlot owners of eastern Quebec very soon. Those negotiations will proceed and I will keep him informed as they proceed.

[Translation]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, can the minister tell us when the federal government intends to make public its decision, upon which the livelihood of thousands of private woodlot owners depends? There are more than 6,000 under the Eastern Plan.

*Government Orders**[English]*

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, let me reassure the hon. member that I and my colleague responsible for regional development in Quebec fully appreciate the importance of forestry and the management of private woodlots in eastern Quebec.

That is why my colleague and I are going to meet with representatives of the private woodlot owners as soon as possible. As I have already indicated, I would be happy to keep the hon. member informed as those negotiations proceed.

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JUSTICE

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

On Friday, June 10 the Minister of Justice advised that the Solicitor General would be likely inquiring into the accusations of Kim Werbecky. Ms. Werbecky has stated that after being raped and beaten by serial killer Clifford Olson she reported the incident to the RCMP and Olson was arrested, but charges did not proceed. Last week an RCMP officer who investigated the complaint confirmed the story, stating that the crown refused to proceed with charges because the victim was not believable, a liar and a tramp.

(1500)

I would like to know if the minister would confirm that the statement is correct and whether a full inquiry is going to be held.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I will take note of the inquiry made by the hon. member and I will assure myself that she is answered promptly.

* * *

STATUS OF WOMEN

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, may I first thank the minister responsible for the status of women for her eloquent defence of equality for women. I would like to thank her for that.

Mr. Speaker, I direct my question to the Minister of Justice whom I hope will be equally strong in his defence of women. Today in the Supreme Court, once again the federal government has taken the unusual and extraordinary measure in having important court cases related to taxation of child support, particularly as it applies to women and children living in poverty, quashed. First the government appealed the Thibaudeau case and now it is seeking to quash other similar cases.

Why is the minister's department wasting money on lawyers appealing these cases instead of addressing the real issue, women and children living in poverty?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the steps we took today in asking the Supreme Court of Canada to suspend the operation of the Court of Appeals' judgment in Thibaudeau until the changes have been introduced in the law will save money that would otherwise be spent on lawyers. The Thibaudeau judgment in the Federal Court of Appeal created an abrupt and incomplete change in the tax treatment of child support payments.

Today we asked the Supreme Court of Canada, until it hears the appeal on the merits of the case, to suspend the operation of that judgment. Otherwise, all across the country people trying to negotiate or abide by agreements or court orders for the payment of child support will be left in uncertainty as to their rights and would be obliged to seek legal advice, paying money to lawyers to help them solve the uncertainty.

By seeking the stay today, we avoided that result. At the same time, through my colleague, the Secretary of State for the Status of Women, we have a task force touring the country soliciting the views of Canadians on the most appropriate changes to achieve fair and equitable tax treatment for child support payments.

* * *

BUSINESS OF THE HOUSE

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, I believe you will find unanimous consent to take the votes we deferred for this afternoon at 6.30 immediately, ringing the bells for five minutes.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

GOVERNMENT ORDERS*[English]***YUKON FIRST NATIONS SELF-GOVERNMENT ACT**

The House resumed from June 9 consideration of the motion that Bill C-34, an act respecting self-government for First Nations in the Yukon Territory, be read the second time and referred to a committee.

The Speaker: Pursuant to order made Thursday, June 9, 1994, the House will now proceed to the taking of the deferred division at the second reading stage of Bill C-34, an act respecting self-government for First Nations in the Yukon Territory.

Call in the members.

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

(Division No. 55)

YEAS

Members

Adams
Allmand
Anderson
Assad
Augustine
Axworthy (Winnipeg South Centre)
Baker
Beaumier
Bellemare
Bergeron
Bernier (Gaspé)
Bevilacqua
Bodnar
Bouchard
Brien
Brushett
Bélair
Calder
Cannis
Caron
Chamberlain
Chrétien (Frontenac)
Cohen
Copp
Crawford
Davault
Deshaies
Dhaliwal
Discepola
Dubé
Duhamel
Dupuy
Eggleton
Fillion
Finlay
Fontana
Gagliano
Gagnon (Québec)
Gauthier (Ottawa—Vanier)
Gerrard
Goodale
Guarnieri
Guimond
Harvard
Ianno
Irwin
Jacob
Kirkby
Kraft Sloan
Landry
Laurin
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape Breton Highlands—Canso)
Leroux (Richmond—Wolfe)
Loney
MacLaren (Etobicoke North)
Malhi
Manley
Marchi
Massé
McGuire
McLaughlin
McTeague
Mercier
Mills (Broadview—Greenwood)
Murphy
Nault
O'Brien
Ouellet
Parrish
Patry
Peterson
Pomerleau
Reed
Rideout
Rocheleau
Sauvageau
Serré
Sheridan
Skoke

Alcock
Anawak
Arseneault
Asselin
Axworthy (Saskatoon—Clark's Crossing)
Bachand
Bakopanos
Bellehumeur
Berger
Bernier (Beauce)
Bernier (Mégantic—Compton—Stanstead)
Bhaduria
Bonin
Boudria
Brown (Oakville—Milton)
Bryden
Bélisle
Campbell
Canuel
Catterall
Chan
Clancy
Collins
Cowling
Culbert
de Savoye
DeVillers
Dingwall
Dromisky
Duceppe
Dumas
Easter
English
Finestone
Flis
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway
Gauthier (Roberval)
Godfrey
Grose
Guay
Harb
Hubbard
Ifody
Jackson
Keyes
Knutson
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Lebel
Leblanc (Longueuil)
Lincoln
MacDonald
MacLellan (Cape Breton—The Sydneys)
Maloney
Marchand
Marleau
McCormick
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Milliken
Minna
Ménard
Nunez
O'Reilly
Pagtakhan
Paré
Peters
Picard (Drummond)
Péloquin
Regan
Robichaud
Rock
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller

Government Orders

St-Laurent
Steckle
Stewart (Northumberland)
Taylor
Terrana
Torsney
Tremblay (Rosemont)
Valeri
Venne
Walker
Wayne
Whelan
Zed—185

St. Denis
Stewart (Brant)
Szabo
Telegdi
Thalheimer
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Volpe
Wappel
Wells
Young

NAYS

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Chatters
Duncan
Forseth
Grey (Beaver River)
Harper (Calgary West)
Harris
Hermanson
Hoepfner
Johnston
Manning
Mayfield
Meredith
Morrison
Ramsay
Schmidt
Silye
Speaker
Strahl
White (Fraser Valley West)

Ablonczy
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Cummins
Epp
Gouk
Grubel
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Ringma
Scott (Skeena)
Solberg
Stinson
Thompson
Williams—44

PAIRED MEMBERS

Caccia
Crête
Godin
Loubier
Rompkey

Collenette
Dalphond—Guiral
Leroux (Shefford)
MacAulay
Verran

(1525)

[Translation]

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Motion agreed to, bill read the second time and referred to committee.)

Mr. Gagliano: Mr. Speaker, point of order. I believe that you will obtain unanimous consent to apply the vote just taken on the second reading of Bill C-34 to the second reading of Bill C-33 and to the third reading of Bill C-16.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

*Government Orders***YUKON FIRST NATIONS LAND CLAIMS SETTLEMENT ACT**

The House resumed from June 13 consideration of the motion that Bill C-33, an Act to approve, give effect to and declare valid land claims agreements entered into between Her Majesty the Queen in right of Canada, the Government of the Yukon Territory and certain First Nations in the Yukon Territory, to provide for approving, giving effect to and declaring valid other land claims agreements entered into after this Act comes into force, and to make consequential amendments to other Acts, be read the second time and referred to a committee.

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

[*Editor's Note: See list under Division No. 55.*]

(Motion agreed to, bill read the second time and referred to committee.)

* * *

SAHTU DENE AND METIS LAND CLAIM SETTLEMENT ACT

The House resumed from June 13 consideration of the motion that Bill C-16, an Act to approve, give effect to and declare valid an agreement between Her Majesty the Queen in right of Canada and the Dene of Colville Lake, Déline, Fort Good Hope and Fort Norman and the Metis of Fort Good Hope, Fort Norman and Norman Wells, as represented by the Sahtu Tribal Council, and to make related amendments to another Act, be read the third time and passed.

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

[*Editor's Note: See list under Division No. 55.*]

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

* * *

PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed consideration of the motion.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45(5)(a), the House will now proceed to the deferred division on Motion No. 1 at report stage of Bill C-22, an Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport.

[*English*]

The first question is on Motion No. 1. An affirmative vote on No. 1 obviates the necessity of putting the question on Motion No. 2. A negative vote on Motion No. 1 necessitates the question being put on Motion No. 2.

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

(*Division No. 56*)

YEAS

Members

Abbott	Ablonczy
Asselin	Axworthy (Saskatoon—Clark's Crossing)
Bachand	Bellehumeur
Benoit	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bouchard	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Brien
Brown (Calgary Southeast)	Bélisle
Canuel	Caron
Chatters	Chrétien (Frontenac)
Cummins	Daviault
Debien	de Savoye
Deshaies	Dubé
Duceppe	Dumas
Duncan	Epp
Fillion	Forseth
Gagnon (Québec)	Gauthier (Roberval)
Gouk	Grey (Beaver River)
Grubel	Guay
Guimond	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hayes	Hermanson
Hill (Prince George—Peace River)	Hoepfner
Jacob	Jennings
Johnston	Kerpan
Lalonde	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Leroux (Richmond—Wolfe)
Manning	Marchand
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	McLaughlin
Mercier	Meredith
Mills (Red Deer)	Morrison
Ménard	Nunez
Paré	Penson
Picard (Drummond)	Pomerleau
Péloquin	Ramsay
Ringma	Rocheleau
Sauvageau	Schmidt
Scott (Skeena)	Silye
Solberg	Speaker
St-Laurent	Stinson
Strahl	Taylor
Thompson	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Venne
Wayne	White (Fraser Valley West)
Williams—95	

NAYS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assad	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Beaumier
Bellemare	Berger
Bernier (Beauce)	Bevilacqua
Bhaduria	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett

Government Orders

Bryden
Calder
Catterall
Chamberlain
Clancy
Collins
Cowling
Culbert
Dhaliwal
Discepola
Duhamel
Easter
English
Finlay
Fontana
Gagliano
Galloway
Gerrard
Goodale
Guarnieri
Harvard
Ianno
Irwin
Keys
Knutson
Lavigne (Verdun—Saint-Paul)
Lincoln
MacDonald
MacLellan (Cape Breton—The Sydneys)
Maloney
Marchi
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Mills (Broadview—Greenwood)
Murphy
O'Brien
Ouellet
Parrish
Peters
Reed
Rideout
Rock
Serré
Sheridan
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Torsney
Valeri
Volpe
Wappel
Whelan
Zed—135

Bélaïr
Campbell
Cauchon
Chan
Cohen
Copp
Crawford
DeVillers
Dingwall
Dromisky
Dupuy
Eggleton
Finestone
Flis
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Godfrey
Grose
Harb
Hubbard
Iftody
Jackson
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
Loney
MacLaren (Etobicoke North)
Malhi
Manley
Marleau
McCormick
McKinnon
McTeague
Milliken
Minna
Nault
O'Reilly
Pagtakhan
Patry
Peterson
Regan
Robichaud
Scott (Fredericton—York Sunbury)
Shepherd
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Ur
Vanclief
Walker
Wells
Young

PAIRED MEMBERS

Caccia	Collenette
Crête	Dalphond—Guiral
Godin	Leroux (Shefford)
Loubier	MacAulay
Rompkey	Verran

(1535)

The Acting Speaker (Mr. Kilger): I declare the motion negated.

Mr. Gagliano: Mr. Speaker, I believe you will find unanimous consent that the vote that we just took on Motion No. 1 will apply to Motion No. 2 and in reverse to the concurrence motion.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

(The House divided on Motion No. 2, which was negated on the following division:)

[*Editor's Note: See list under Division No. 56.*]

Hon. Douglas Young (Minister of Transport) moved that the bill, as amended, be concurred in.

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

(*Division No. 57*)

YEAS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assad	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Beaumier
Bellemare	Berger
Bernier (Beauce)	Bevilacqua
Bhaduria	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélaïr
Calder	Campbell
Catterall	Cauchon
Chamberlain	Chan
Clancy	Cohen
Collins	Copp
Cowling	Crawford
Culbert	DeVillers
Dhaliwal	Dingwall
Discepola	Dromisky
Duhamel	Dupuy
Easter	Eggleton
English	Finestone
Finlay	Flis
Fontana	Fry
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway	Gauthier (Ottawa—Vanier)
Gerrard	Godfrey
Goodale	Grose
Guarnieri	Harb
Harvard	Hubbard
Ianno	Iftody
Irwin	Jackson
Keys	Kirkby
Knutson	Kraft Sloan
Lavigne (Verdun—Saint-Paul)	LeBlanc (Cape Breton Highlands—Canso)
Lincoln	Loney
MacDonald	MacLaren (Etobicoke North)
MacLellan (Cape Breton—The Sydneys)	Malhi
Maloney	Manley
Marchi	Marleau
Massé	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Milliken
Mills (Broadview—Greenwood)	Minna
Murphy	Nault
O'Brien	O'Reilly
Ouellet	Pagtakhan
Parrish	Patry
Peters	Peterson
Reed	Regan
Rideout	Robichaud
Rock	Scott (Fredericton—York Sunbury)
Serré	Shepherd

Government Orders

Sheridan	Simmons
Skoke	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Thalheimer
Torsney	Ur
Valeri	Vanclief
Volpe	Walker
Wappel	Wells
Whelan	Young
Zed—135	

NAYS

Members

Abbott	Ablonczy
Asselin	Axworthy (Saskatoon—Clark's Crossing)
Bachand	Bellehumeur
Benoit	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Bouchard	Breitreuz (Yellowhead)
Breitreuz (Yorkton—Melville)	Brien
Brown (Calgary Southeast)	Bélisle
Canuel	Caron
Chatters	Chrétien (Frontenac)
Cummins	Davialt
Debien	de Savoye
Deshaies	Dubé
Duceppe	Dumas
Duncan	Epp
Fillion	Forseth
Gagnon (Québec)	Gauthier (Roberval)
Gouk	Grey (Beaver River)
Grubel	Guay
Guimond	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hayes	Hermanson
Hill (Prince George—Peace River)	Hoepfner
Jacob	Jennings
Johnston	Kerpan
Lalonde	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Leroux (Richmond—Wolfe)
Manning	Marchand
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	McLaughlin
Mercier	Meredith
Mills (Red Deer)	Morrison
Ménard	Nunez
Paré	Penson
Picard (Drummond)	Pomerleau
Péloquin	Ramsay
Ringma	Rocheleau
Sauvageau	Schmidt
Scott (Skeena)	Silye
Solberg	Speaker
St-Laurent	Stinson
Strahl	Taylor
Thompson	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Venne
Wayne	White (Fraser Valley West)
Williams—95	

PAIRED MEMBERS

Caccia	Collenette
Crête	Dalphond—Guiral
Godin	Leroux (Shefford)
Loubier	MacAulay
Rompkey	Verran

CANADIAN FILM DEVELOPMENT CORPORATION
ACT

The House resumed consideration of the motion that Bill C-31, an act to amend the Canadian Film Development Corporation Act, be read the third time and passed.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I did not want the remarks of the Reform Party member for Medicine Hat to go by without some mention.

As I mentioned, the hon. member for Medicine Hat talked about the fact that we subsidize the film industry in this country. The member has to be very careful about using the word subsidy because the energy sector in this country probably receives more subsidy than any other sector in the economy.

We do this through tax preferences buried in the tax act. The member stood in the House of Commons and talked about close to \$2 billion in subsidies that go into culture related industry. He basically condemned that. He should know that the energy sector receives a lot more than that. The difference is it receives those subsidies buried in tax preferences and the tax act.

(1540)

I feel very defensive when members stand in this House and take on the cultural industries because in my riding there are close to 5,800 people who work in the motion picture industry.

In the motion picture industry we do not just have actors and actresses. We have cameramen and women, craftsmen and women who do set designs, lens grinders and costume makers. In the last 10 years we have managed to build a world class motion picture industry.

We now have products that we are exporting all over the world. I think of "Degrassi Junior High" which was developed and produced here and is now being exported to over 50 countries. It has been cancelled on the Canadian networks but this product is still being exported.

When we go to the 500 channel universe we will have an opportunity to manufacture all kinds of Canadian products. In addition, there are several motion picture producers that come to Canada now and have their motion pictures made in Canada.

The member gave the example of Buddies in Bad Times, a city of Toronto arts grant which I do not want to debate with him today. I do not think he should take one example like that and brandish the whole cultural industry in this country. It is not really fair. It is like taking the CBC and only looking at it for the work it does as a unit. You have to look at the CBC in the sense that it has been a training ground. Many people have left the CBC and gone on to work in the private sector. It has been an

Government Orders

apprenticeship centre which has created the tremendous inventory of talent that supports the motion picture industry.

I could also say to the member for Medicine Hat the CBC is one of the few galvanizing agents in this country. It is very sensitive to bringing together not only information and culture from every region of this country but providing service to remote regions which sometimes may not be seen as profitable for the private sector.

I am not putting down the private sector for not getting involved in unprofitable ventures in this country, but the responsibility for the Canadian Broadcasting Corporation is to make sure that every region of this country is covered. We do not run the CBC like a business. It is not like a business. Whether it be the post office, the CBC, or Petro-Canada, if we dealt with them strictly on an earnings per share per quarter basis we would not have the type of service that these agencies of government have provided over the years. They really have been able to bring this country together.

(1545)

With the 500-channel universe just around the corner from us, we have invested so much in training, in the motion picture industry, we now have a talent pool that is recognized as world class. More than ever as we come close to that period where we have the opportunity to fill that 500-channel universe with Canadian product, we should make sure we do not pull away from supporting the motion picture industry. If anything, I would encourage members of the House to urge the government to not only continue to support it, but to increase its support.

Mr. Ken Epp (Elk Island): Mr. Speaker, I appreciate some of what the hon. member said. However, I would really like to challenge his thinking and the thinking of other members on the other side of the House with respect to the necessity of having to pluck money from the pockets of supporters of these programs in the form of taxation. If a program is really good, if it is really quality, it will win. If it is not, then it should not be subsidized.

I believe that too for businesses and other industries, some of which he mentioned. If we were to have a level playing field tax wise, we could compete very easily right around the world and that is the missing link.

Specifically with respect to the CBC, I have on numerous occasions had people ask me why we support it. They then use words which I am sure are unparliamentary—they are not in my personal vocabulary in any case—about the things they have heard.

I was tremendously offended one Sunday evening when, as we were finishing our day, I switched on my radio as I often do and chose the CBC. Sometimes it has some nice classical music

which I enjoy at the end of the day. I cannot relate to you in the House what I heard because it was so offensive. It was tremendously offensive to women and to men, and the explicitness of what was being broadcast at midnight on a Sunday got me so upset that I immediately ran downstairs, turned on my tape recorder in order to have it on record even though I could hardly stand to hear it.

My response was why should I as a taxpayer be forced to fund this without any choice at all. If it were another station I can turn away, it's ratings go down and, as happened to one of the radio stations in Edmonton, it would go out of business.

The CBC should be subject to that same kind of continual scrutiny on a personal basis by all taxpayers, by all the people who are listening. I really think we ought to very quickly phase out the funding of the CBC and many of these other cultural organizations which, very frankly, appeal to a very narrow group of people and are far away from and, in many cases, opposed to what the majority of Canadians want to hear and want to see.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I listened to the member and I really do not know where to begin because I think we basically have an ideological difference. Nothing personal intended to the member, but I see it in just the opposite light. I see the CBC as an instrument of national unity. I know you do not. I know the member does not.

The Acting Speaker (Mr. Kilger): I appreciate that members always feel very strongly about their views, but I think it is in the best interests of all of us if we direct our comments through the Chair.

(1550)

Mr. Mills (Broadview—Greenwood): Mr. Speaker, the member talks about job creation. The CBC has been a training ground for thousands of Canadian men and women who have gone on to work in the private sector, whether it is radio or television or the motion picture industry. I happen to think there is a lot of the quality in CBC productions, for example, in a production like "The Journal". I am not talking about "Prime Time" but "The Journal".

The man behind "The Journal", Mark Starowicz, is probably respected as one of the geniuses in television public affairs programming right now in the world. This is a man who came through the system and that format is being copied by various units all over the world.

I guess my point is that we should not just measure the contribution of the CBC in terms of its ratings. We have to look at the CBC's macroeconomic contribution, the contribution of its training, the contribution of it holding the country together as an agent. I am not saying it is the only thing.

Government Orders

I have to speak about my riding for just a second. I have 5,700 people in my riding that are employed in the motion picture industry. We are exporting motion pictures right now. We are manufacturing American written productions. We are producing these major motion pictures because our cameramen, our set designers, our sound men and women are outstanding. All of these people are Canadians who have worked with the CBC film production operation.

This has expanded into the Toronto film festival which is respected now as one of the best in the world. I am appealing to the members of the Reform Party to not look at the CBC in narrow terms but to look at the contribution the motion picture industry makes in the macroeconomic sense.

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I am very interested in the hon. member's comments. Many people appreciate the CBC and the cultural programs that are provided.

The difficulty right now is that we are in a financial crunch in which Canadians are feeling overburdened by the taxes they have to pay. As we line up priorities they are simply not prepared to pay more taxes for items such as those being argued for by the hon. member, particularly when they do not represent their views, their culture and are seen as an added expense.

There is a great impatience by Canadians. When I was a boy on the ranch one of my chores was to milk cows. I did not ask the cow if she wanted to be milked. I just put her in her stall and sat down and milked her. Canadians are feeling as though they are being lined up in the stall like milk cows, being milked for all they are worth.

We have a tax system and an economy that has been ordered by the government. It now makes it necessary for most families to have both partners in the workforce, even though one may like to stay home and look after the home and care for the children in the traditional way. The economy is such, the tax system is such, that it is not advantageous for them to do that. The opportunity is not there for them to do that.

There is a huge reaction to the cost of government. The government must look seriously at the expenses, at what it is spending. This is what Canadians are demanding. This is why there is such a large objection to the cultural programs on CBC. It is seen as one more expenditure that we cannot afford.

(1555)

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I do not want to get into an agricultural analogy with him, but I do want to challenge the member. I do not want to challenge you, Mr. Speaker, I want to challenge the member on his commitment to tax reform.

I happen to agree with the member. I believe all members in the House agree that the current tax act is unfair, inefficient, complex and no longer globally competitive.

The Reform Party should have stuck to its campaign promise during the last election, which was basically to promote the notion of tax reform that would go a long way in generating the kind of entrepreneurial activity which would generate enough tax revenue for this country. This would not only reduce the deficit and ultimately pay down the debt but it would also provide enough money to make sure that galvanizing instruments like the CBC or the motion picture industry did not have to be touched.

I would say this, with great respect to the Reform Party, when are we going to start hearing about its commitment to tax reform that we heard about all during the last election?

The Acting Speaker (Mr. Kilger): 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 Charlesbourg—Official languages; the hon. member for Saint John—VIA Rail; the hon. member for The Battlefords—Meadow Lake—Aboriginal veterans; the hon. member for Chicoutimi—CRTC.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, it is with pleasure that I rise to speak during the third reading of Bill C-31. It was quite interesting to see how we moved through the previous discussion regarding the CBC.

I am going to make the comment at the start of my remarks that the CBC is indeed a billion dollar boondoggle. It is really unfortunate that we do not have a longer period of time to discuss the CBC, that we have not had the opportunity in this session of Parliament to have the full discussion that is required.

This opportunity permits me also to set the record straight with respect to the Reform Party's interest in advancing Canadian cultural industries and encouraging artistic freedom. Many people in the House have a definitive opinion, but there definitely is a clear lack of understanding. I am not sure if it is intentional or otherwise, but there seems to be this perception that we are disinterested in Canadian culture. That really is a rather simplistic criticism because we have been suggesting and encouraging less government involvement. Since we stood in the House in the early days of this Parliament, we have been consistent in that message; we want to see less government involvement. That is particularly elemental to this discussion.

We advance the idea that the cultural community be given the tools necessary to flourish in an open, competitive and changing marketplace. That includes less government intervention, less taxation and regulatory controls that permit competition, not strangle it.

Government Orders

The hon. member across the floor talked about the CBC and the CRTC. The CRTC is an excellent example of how the television and radio production sectors are impeded by an inconsistent regulatory environment.

Quite frankly the CRTC was quite arbitrary and paternalistic in its selection process and granting of licences only last week. Imagine 500 channels. We are moving toward that environment like a sputtering Model T. It is a ridiculous licensing process that does not do anything to promote the richness of our industries as indeed it could.

(1600)

Our approach recognizes that Canadian cultural policy must be sustainable in a world of rapid technological change and is fostered in an environment in which individuals are free to choose.

The intent of the bill is to foster better relationships between Canadian producers and Canadian financial institutions. On this side of the House in the Reform Party we have to question whether there is a poor relationship between these groups. My colleagues spoke of their concern about that issue during second reading of the bill.

A bit later I will provide information to the House that will demonstrate why this question is worthy of an answer. The evidence I have would suggest that the industry has been thriving and is in no need of government guaranteed loans. We do not have the money to go forward with proposals like this one. We need to ensure the industry can make it on its own by less regulation and less taxation.

In the face of the overwhelming evidence that supports this conclusion we must question the motivation of the government and all the supporters of the bill, one of which is the Royal Bank of Canada interestingly enough.

I should like to go through the process of taking the bill into committee and the discussion that took place there. It was my very first experience in this kind of an environment. What happened there was of particular interest to me. At committee after second reading representatives of the Royal Bank of Canada appeared as impartial witnesses to give testimony on their appreciation of Bill C-31. The Royal Bank is the bank with which the Department of Canadian Heritage has been negotiating to establish the parameters of the bill.

I suggest they had a vested interest in speaking at committee in favour of the legislation. When other financial players were asked if they would like to address the committee on the bill they declined the opportunity, not because they were in favour of the bill but because they did not want to be seen as opposing it for fear that it would be perceived to be anti-culture. Now what a sorry comment.

We have come to a point in time where individuals and corporations do not speak their minds on an issue because they are concerned about possible recrimination. The powerful cultural lobbies and special interest groups in Canada have had such a profound impact that witnesses now feel uncomfortable to appear at committee to speak frankly. This is an issue that directly affects the operations of their businesses.

That kind of special interest pressure has little or no effect on members of my party or members of my caucus. We were elected with a mandate from our constituents to bring to this public forum their comments and their concerns, and we will not be intimidated by special interest groups. We do not support the bill in principle. Nor do we support it as it was presented.

Members of the government and people from the Department of Canadian Heritage continually reassure us that the bill will not result in financial losses for the government and that its effectiveness will be reviewed after two years.

Despite the fact that we do not agree with the principle of the bill we proposed a reasonable amendment to it. The bill states that loans will be for a maximum of 18 months. In order to provide an accurate evaluation of the performance of the program we proposed an amendment which, although defeated, I still believe to be a necessary legislative tool to evaluate the bill at some future time.

I moved that after 36 months the Standing Committee on Canadian Heritage should review the progress of the guaranteed loan program introduced by the bill and report on that progress to the House. This amendment was simply a review and report amendment, which is quite similar to a sunset clause. If included as an amendment within the bill it would have legislatively assured the program of loan guarantees would receive a formal review.

The 36-month review I proposed provided a longer review period than even the government was requesting. It would allow for two full sets of loans to be completed before review, a review the government states it will conduct. How could a review be completed after only 24 months as the government suggests? There will have been only a handful of loans, the success of which we are to use to judge and evaluate the program. Why not make the trial period a little longer to give the program a solid evaluation based on historical trends? I fail to understand how the government could not support such a common sense focus within the amendment. I would like to read it for the record:

Three years after the coming into force of this act, a comprehensive review of the application and operation of the amendments to the *Canadian Film Development Corporation Act* as enacted by this act shall be undertaken by such committee of the House of Commons as may be designated or established by the House for that purpose.

Government Orders

(1605)

That was to be subclause 3(1). Subclause 3(2) read:

The committee referred to in subsection (1) shall, within three months after the review is undertaken or within such further time as the House of Commons may authorize, submit a report on the review to the House including a statement of any changes the committee recommends.

Further, if there will be a review, why not require the review to be in the statutes? Is the government sincere about its intention to conduct such a review? Why not open the process to the committee to evaluate the performance of the program? Such a review would provide the standing committee with the opportunity to be involved at a more effective level, something the Prime Minister continues to talk about. Despite the Prime Minister's commitments to greater committee involvement, his caucus continues to keep standing committees from being involved.

As it now stands this legislative review and report stage will not take place. The amendment was lost. We have only the verbal assurances that this evaluation is inherent within the bill. We know from experience in the House what kind of trouble occurs on the basis of verbal assurances. Who can say if the bill will ever be addressed again?

Let me return to the question of the intent of the bill. We have heard the government, the producers and the banks that seem to be speaking in favour of the bill. If I had someone who would assume 85 per cent liability for a loan for me I would be very pleased. I would be running to the first bank that would support it.

The reality is that in the private sector and for individual taxpayers like you and me, Mr. Speaker, we do not have the government to intervene and assume liability for our business endeavours. The point is that the government should not be in the business of guaranteeing loans, period, be they for small business, big business or for cultural agencies.

The bill presupposes an ineffective working relationship between Canadian producers and Canadian financial institutions. This assumption is quite simply a false one. There is sufficient evidence to suggest that the production industry has been booming in recent years. This increase in the production industry has transpired despite the difficult economic times we face.

How can the government dispute the following facts that clearly demonstrate how well the industry is doing? We certainly heard our colleague across the floor talk about how much help the CBC needs. It has a billion dollars out there every year and it still needs more help. Its offices still need to expand more.

Let me remind the House that the increased performance of the industry has come without any federally guaranteed loans. Here are some statistics I would like to present which demonstrate its healthy performance. Since 1987–88 the film industry has experienced an overall growth of 34 per cent in the number of production companies. A 39 per cent increase in full and part time employment accompanied the rise in the number of production companies since 1987–88. This growth was largely due to the creation of part time jobs, jobs which more than doubled over this period to 2,500 in 1991–92.

Interestingly the number of producers specializing in television production increased substantially from 119 in 1990–91 to 137 in 1991–92. The number of television productions measured separately for the first time in 1991–92 accounted for 38 per cent of all films produced in Canada. Corporate videos and television commercials each represented a further 20 per cent of the total volume of production. Overall between 1990–91 and 1991–92 the level of film, video and audio-visual production jumped from 17,634 to 19,891. It was an increase of 13 per cent. Feature film production remained steady in 1992 with 20 companies producing 56 theatrical productions.

(1610)

The overall profitability of Canadian film producers improved dramatically in 1991–92. The profit margin of production companies jumped to 11.1 per cent from a 10-year low of 1.5 per cent the previous year. The industry is booming and it is booming on its own. It is making it on its own in the private sector without government intervention.

After accounting for inflation in the motion picture laboratory operations area, operating revenues in this sector increased by \$11.9 million despite the drop in the number of films from 170 to 162. Its revenues reach \$286.7 million. The level of full and part time employment has increased steadily in the film laboratory and post-production services industry since 1987–88. In 1991–92 it was up by 33 per cent. These statistics cannot be denied. This industry is thriving and is indeed a vibrant one.

On the share of film distribution revenues it is interesting that the overall foreign controlled market share remained fairly stable between 1991 and 1992 levels at 57 per cent. Right now we have a great deal of involvement from outside our country.

Bill C-31 will entrench the strongest players in the market. It will allow the strong companies access to more loans in order that they may even get stronger. This is a concern certainly for those smaller production companies. This will choke off new players in the market.

What is the rationale here? How will it create jobs? I challenge the government to come up with a program without grants,

without subsidies and without loan guarantees that will treat all players equally. We cannot be passing legislation that will help companies that do not need help.

In closing, I am going to comment on an experience I had in Calgary. I guess it is in response to the Bloc member who suggested earlier that we have put too much importance on the subsidization of overprivileged commercial enterprises and not on the artistic community.

In Calgary this spring there was an arts award luncheon that was fully and totally funded between the private sector and the arts community. The city of Calgary, through its mayor and council working with the arts community, the business sector, the private sector and the patrons of Calgary, developed bridge funding for the arts community to continue to thrive through the Banff School of Management. That model is an excellent one. It is an outstanding one that others in the country could use and not have to come rushing to the government for a handout.

The industry does not need that kind of financial support. It is thriving quite well on its own. Once again I can only say that we cannot pass legislation to help companies that do not need help.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: On division.

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

Mr. Milliken: Mr. Speaker, I think Your Honour will find unanimous consent of the House to deal with Bill S-5 on the Order Paper under Private Members' Business.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

(1615)

Miss Grey: Mr. Speaker, I am seeking the floor to move Bill S-5 on behalf of the hon. member for Calgary Northeast.

The Acting Speaker (Mr. Kilger): In the absence of the hon. member for Calgary Northeast, I must seek unanimous consent.

Some hon. members: Agreed.

Private Members' Business

PRIVATE MEMBERS' BUSINESS

[English]

CANADIAN ASSOCIATION OF LUTHERAN CONGREGATIONS

Miss Deborah Grey (for Mr. Hanger) moved that Bill S-5, an act to incorporate the Canadian Association of Lutheran Congregations, be read the second time and referred to a committee.

She said: Mr. Speaker, I appreciate this opportunity to speak on behalf of my colleague from Calgary Northeast regarding the Canadian Association of Lutheran Congregations.

Lutheranism in Canada has been a long and honourable tradition. The first Lutheran service was conducted in 1619 by Chaplain Rasmus Jensen at Port Churchill, Manitoba as part of Jens Munk Expedition.

The first Lutheran congregation was organized at Halifax in 1752. Lutherans have made a valuable contribution to the cultural heritage of Canadians and currently Lutherans in Canada form the fourth largest Christian church.

It is as a part of this proud tradition in Canada that the Canadian Association of Lutheran Congregations seeks incorporation. This association was organized in October of 1992 and currently has functioned as an unincorporated non-profit association of congregations and individuals.

Currently there are over 1,000 persons throughout the three western provinces and six congregations in the association and its organization.

The organization is intended to have two functions. First, it will act as a denomination for congregations wishing to join it. As well, there may be associate members, either persons or congregations, agreeing with the goals, aims and theology of the association. This association seeks a return to Lutheran roots with its emphasis on Scripture, missions and Lutheran theology.

I raise that point and know that we can dispose of this as quickly as possible so it may be incorporated as quickly as the House can deal with it.

I suspect there is unanimous consent for the following:

That notwithstanding any standing order and the usual practices of the House, Bill S-5, an act to incorporate the Canadian Association of Lutheran Congregations, be now called for second reading and that the House proceed to dispose of the said bill at all stages, including committee of the whole.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

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[Translation]

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, I would like to say, on behalf of the Bloc Québécois, that we support Bill S-5, which was presented in the other place.

The purpose of this bill is to incorporate the Canadian Association of Lutheran Congregations, thereby enabling this organization to better achieve the religious objectives of its members.

Canada has always respected freedom of religious choice, and it has a long tradition of doing so. The Canadian Association of Lutheran Congregations, in my opinion, fully meets the criteria for serious religious organizations. Giving this association the corporate status necessary for its development would benefit its members. Therefore, the Bloc Québécois will vote in favour of adopting this bill.

[English]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on behalf of my colleagues in the national Liberal caucus I too want to indicate that we intend to support this bill.

[Translation]

I am pleased today to support this bill. I need not point out that we do not intend to take up a great deal of the House's time to discuss this initiative. The bill now under debate was initially tabled in the Senate and is now duly before this House.

(1620)

I would like to take a few moments to point out the contribution made to Canada by the Lutheran Church and to state that we intend to support this bill and pass it as quickly as possible.

Some other members of this House will be bringing forward another bill in a few moments. We will therefore be brief in our remarks concerning this important parliamentary initiative.

As I was saying, the bill was presented in the Senate, but many members of this House had not been told about it. I know that the member for Calgary Northeast wanted to sponsor the bill, and I am certain that it is very important to him. He agreed to let another member present it, and I congratulate him on doing so in order that this bill might pass today and become law.

[English]

That being said, I want to indicate our agreement to pass this bill not only at second reading but at committee of the whole and third reading as well in order to have this bill disposed of forthwith.

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

Some hon. members: Agreed.

(Motion agreed to, bill read the second time, considered in committee, reported, concurred in and, by unanimous consent, read the third time and passed.)

(1625)

Mr. Boudria: Mr. Speaker, on a point of order. I believe you will find unanimous consent to proceed now with Private Members' Hour.

I would also want to inquire if you could determine whether there is unanimous consent to proceed with the adjournment debate one hour after the commencement of Private Members' Hour which we are about to commence; in other words, perhaps we could immediately call it 5.30 p.m. in order for members to prepare and to arrive in the House at that time.

The purpose of that would be to ensure that the late show would not be held at 10.30 p.m., which would otherwise be the case, creating, needless to say, a costly and not very useful delay.

Miss Grey: Mr. Speaker, Bill C-210 which we are looking at now is my bill and we are certainly prepared to go on that. We appreciate the spirit of harmony that we have just experienced on Bill S-5 which I sponsored. Perhaps we can look forward to Bill C-210 going through at all stages just as quickly and harmoniously as that.

The Acting Speaker (Mr. Kilger): Is there unanimous consent to the proposal of the deputy whip?

Some hon. members: Agreed.

* * *

(1630)

RECALL ACT

The House resumed from April 29 consideration of the motion that Bill C-210, an act to provide for the recall of members of the House of Commons, be read the second time and referred to a committee.

Mr. Randy White (Fraser Valley West): Mr. Speaker, it is indeed a pleasure to speak to Bill C-210 which is not just another private member's bill. This bill put forward by my colleague from Beaver River speaks to a fundamental philosophy of the Reform Party and, I hope, all other parties of this House. It what all of us as members of Parliament really are all about: listening to the will of the people. This bill represents a chance for members of all parties to make a real difference in the way this country is run.

Today voters are naturally angry and cynical because they often feel helpless about the process of government in Canada. When the government says we have an opportunity to have our voices heard at the next election it is really missing the point because the next election is not soon enough. In case the government has not noticed, the world is a smaller place than it ever was before. Everything moves faster than it did the year before. People nowadays expect action and action means now.

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If it becomes evident after an election that a vast majority of constituents in any constituency want their MP out, or at least want another election for valid reasons, then they should have that right.

What difference will recall make? Many people ask that and we talk about it for year after year it seems. Let us look at the comments and results of a conference held at the University of Lethbridge on February 25 and 26 of this year. It was entitled, if you can imagine: Re-inventing Parliament. After 125 years, we are going to re-invent Parliament.

Over 100 Canadians from across Canada met to discuss issues such as recall. Quoting from a report resulting from that conference, this is what was said: "Every workshop recommended to the conference that governments in Canada allow for the recall of elected members. On no item of direct democracy did a more clear consensus emerge".

What was the rationale for that significant consensus? The conference participants felt that recall would go a long way in addressing some of the current ailments of the parliamentary system.

The most important reason cited by over half of the workshops is that recall provides for more accountable MPs, and MLAs in the provincial sense. It ensures elected members act on and listen to constituents' concerns. Recall provides a direct link between citizens and politicians that exists on a continual basis, not just during the 30 or 40-day campaign period, once every four or five years.

It is quite likely that a relaxation of party discipline will accompany recall. Governments will see the need to allow their members more freedom of action in light of the threat that recall presents to MPs.

Recall also serves as an early warning system for governments. If recall petitions become a common occurrence in government members' ridings, it signals to the government that a change in direction should be seriously considered.

It was also mentioned by some in this report from the conference that the threat of recall alone is just as important, if not more important than the actual process itself. There is nothing better than holding a little threat over politicians' heads once in awhile.

At this conference the majority of attendees from across this nation supported the right of Canadians to recall their elected members. Why is it that so many people want recall and this government, like the last arrogant government, chooses to ignore the will of the people? What is it that Liberal and Bloc politicians are afraid of? Why are we hearing such feeble excuses from our government colleagues? Let me give you a few quotes from *Hansard* when we debated this matter previously.

I will start with a quote from the Liberal member for Vancouver Quadra: "This can be a House that will literally reform itself". You have to talk with the hon. member who made such a statement. If this House would reform itself, we would not have 52 Reformers trying to reform it today. If the hon. member thinks like so many others on this and other issues, why not stand up and be counted?

(1635)

Another quote comes from the hon. member for Richmond—Wolfe of the Bloc party: "This bill would be impossible to enforce" but nowhere in his speech does he explain why. It is just a statement that this bill would be impossible to enforce.

The final quote is from the Liberal Parliamentary Secretary to the Minister of Public Works and Government Services who in his brilliance said: "But we still do not have any proof that it would work". Of course we do not; we have not adopted the bill yet.

We know Reformers stand apart from the other parties when it comes to participative democracy. The concepts of free votes and recall for instance are interconnected. We need them both. What would the results be if we had free votes and recall? That is simple: Elected officials who vote according to their constituents' wishes and according to the merits of the particular bill. Is that so strange? Is that so difficult to understand?

We should have no fear about this. If a party performs poorly it will be rejected at the next election. However, when a sitting member significantly breaches the trust of his or her constituents we need a mechanism in place in the House to get him or her out of that position.

The government's use of fear to attack the idea of recall is really an expression of its own fear. The government keeps throwing out the bogeyman about the dangers of unscrupulous factions trying to oust an MP. Government members are pushing the panic button and this tactic is based more on fear for their own jobs than anything else.

The process of petition and recall election gives the MP ample opportunity to present his or her case to the electorate. This is direct democracy, a concept I understand but perhaps some members do not. Whether the government likes it or not, it is an idea whose time has come.

Recall forces MPs to be more accountable to their constituents. That is what my colleague wants to achieve with this bill. That is what the Reform Party wants. Most important, and what this government ignores at its own peril, it is what the people want.

A famous former Prime Minister once said that opposition MPs were nobodies as soon as they walked 100 yards away from Parliament Hill. I wonder what party that individual was from. I agree with Peter McCormick who said that the former Prime Minister could not have been more wrong. Given the way the Canadian parliamentary system operates, our MPs are people of some significance in their communities and may become

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nobodies when they arrive on Parliament Hill. That is what I believe if they do not stand up for what they believe in and vote the wishes of their constituents instead of being a minor mouthpiece of their party.

The last Parliament was called one of the best by the media and why is that? Because it was good theatre with lots of bad actors. If you look at the acrimony, the accusations, the asinine behaviour, if that is what the media wanted, that is what it got. What you did not hear so much about is the cold hard facts that Canadian public opinion of the institution of Parliament reached an all-time low during the 34th session.

I call upon those members who are sitting in the back rows to join us in this cause. Show the Canadian people that you are here to make a real difference. If you are looking for the opportunity to be truly different, truly representative of your constituents and truly a person of principle, then you should speak up now by supporting this bill.

Here is your chance to do more for those who really count and they are the people who put us all here. Do something a little different: Make a stand and choose to play the real role of reforming the way this country is run. This recall bill could be the first step.

In closing, all Canadians and government backbenchers know we need their vote to carry this issue. I would like to see what they are really made of. I would like to see that vote carry. Recall represents strong MPs, not weak ones. Therefore, please consider this reform necessary, a reform that Canadian people want. Do not turn it down just because the party is afraid of a little recall.

(1640)

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, Bill C-210 providing for the recall of members of the House of Commons can be summed up as follows: "Any elector ordinarily resident in an electoral district who wishes to seek the recall of the member for that district may file with the Clerk an application for the recall of the member in the prescribed form".

This recall procedure exists in 15 American states and makes it possible to dismiss a member of Parliament or a public official. A similar system is in effect in four Swiss cantons. It is important to note that this procedure is allowed only in a very narrow socio-political context. Even then, its actual use is extremely restricted. In the United States, the system only works at the municipal level. At a higher level, only one case is mentioned: that of an Oregon governor who was recalled in 1921.

To better define the Bloc Québécois's position on this issue and explain to the House the political origin of the recall concept, I think it is important to return to the late 18th century. On the European continent, it is the age of enlightenment, this philosophical movement which dominated the world of ideas and gave birth to the great democratic principles that have governed Western societies to this day. In Europe, it is the time when sovereignty was transferred from an all-powerful monarch to the people. The movement had actually started two centuries earlier in England, France and Germany but it was gathering momentum and taking on a more universal dimension.

For Jean-Jacques Rousseau, for instance, sovereignty is embodied in the "general will" which is always fair and equitable and therefore most effective at the human level. Thus emerged the very idea of democracy whereby decisions are made by the people as a whole. But is democracy as people power the best form of government? In this regard, is the right of recall resulting from the notion of people power a good way to offset politicians' actions? If people had the right to recall their members, would politicians become more accountable to their constituents for their actions?

As the basis for the legitimacy of state power, once royal power was abolished in the late 18th century, in Rousseau's mind, the ultimate power to make decisions would rest with the people. That is why he refuted the idea of representative democracy whereby the people can only exert their influence at regular intervals. About the English people, he said this: "The people think they are free, they are sorely mistaken; they are only free during elections. As soon as the members of Parliament are elected, the people revert to being slaves, to being nothing". That is why Rousseau wanted to give people the right to recall their representatives on a daily basis.

As we can see, recalling elected representatives is not a new idea. I think the main flaws of representative democracy, in particular the principle that citizens can only exercise their right to vote once every four or five years, deeply troubles all democrats since the beginning of universal suffrage. So, the question raised at the dawn of representative democracy can still be raised today: "How can the sovereign power exercised by a few parliamentary dignitaries result from sovereignty of the people?" The democratic ideal expressed through the sovereignty of the people, through the notion that every citizen of a sovereign state can influence the decision-making process, that everyone wields political power, will quickly take the form of state sovereignty with the application of democracy.

Throughout the 18th century, and especially since the advent of universal suffrage, we see that the will of the people expressed through the election process does not coincide with the general will. As we move away from the great revolutionary movements that swept Europe in the 18th and 19th centuries, the

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notion of sovereignty of the people gradually gives way to the more absolutist concept of sovereignty of Parliament.

Given what I just said, the Bloc Québécois considers this bill to be fully justified; it is symptomatic both of people's misgivings about their representatives and of the massive failure of the Canadian political system.

(1645)

Actually, this bill would be impossible to enforce, but it shows a democratic conscience deeply disillusioned by over 100 years of a system that simply does not work.

Parliamentary sovereignty has lost all credibility and just making members of Parliament subject to recall will not restore its credibility. Clause 4.(d) of Bill C-210 says that a statement of 200 words or less would be sufficient to trigger the recall process. This provision would necessarily lead to anarchy in many ridings.

That statement of 200 words or less must set out the reasons why the recall of the member is warranted. Reasons? But who will determine the value of those reasons? Which reasons will be good ones and which will be bad ones? I believe this clause sets a dangerous precedent in terms of judging situations and deciding who will make such judgments.

If, for example, the promoters of a recall manage to get the majority of electors to sign their petition and argue that, based on solid economic indicators, the member is incapable of supporting economic recovery in his or her riding, will that be a valid reason or not?

Who will decide? Are MPs responsible for the situation? Do they have real power regarding the economy? If a majority of electors have signed the petition, will they be told that they are right or wrong? This is a very serious issue which leads me to believe that it would not be possible to implement this legislation and, more importantly, that such legislation would not achieve its goal.

I am convinced that such an act would make elected representatives vulnerable to conspiracies, to blackmail and to all kinds of secret dealings. I think that the whole process suggested by the Reform Party member would put undesirable additional pressure which would considerably affect the work of elected representatives, as well as the services they are meant to provide. I do not think that a member who would have to campaign against a recall in his or her riding would, at the same time, be able to adequately serve those who want to kick him out. This would be quite the paradox!

Our whole electoral and democratic process is not structured to serve in a positive way the intent of Bill C-210. Such a procedure would make the democratic process too perilous and costly, as well as totally uncontrollable.

This bill is not practical throughout a country whose population numbers in the millions. It results from a nostalgic feeling about the democratic idealism which arose in the 18th-century Europe. The Bloc Québécois is totally opposed to this bill.

[English]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am a little reluctant to take part in the debate today because this matter of recall is being studied as we speak by the Standing Committee on Procedure and House Affairs which I have the honour to chair.

In spite of that, I have views on the subject which I will be making known in the committee I suspect on Thursday when the committee discusses this matter. I wanted to state those views for the record today since there was an opportunity to debate this bill which is very important. I acknowledge that it is an important one.

I know when the hon. member for Fraser Valley West was speaking he referred to the fact that there had been a conference in Lethbridge and there was considerable opinion at that conference that recall was a good thing. I had the honour to attend that conference. I must say that the workshop that I attended did have a straw vote and supported the notion of recall but it was not one that I supported at the time. I expressed my views on the matter at the conference.

I invite members of the House in reflecting on whether the bill should be adopted by the House or not to consider two or three points. The first one of great importance is the fact that this institution, the House of Commons of Canada, has one of the highest rates of turnover of any similar legislative body in the western world.

The average in electoral turnover for this House certainly since the war and for a longer period—I do not have the figures here for the longer period—has been at least a third of the House on average that has changed hands in every election. I am sure that number has increased as a result of the very significant turnover in the election in October last year when two-thirds of the members of the House were replaced. That kind of rate of turnover is one that is frankly intimidating to anyone seeking to enter a career in politics because it indicates that the nature of the position is so transient that members once elected can hardly be allowed to stay on for any reasonable period of time. Most members obviously serve less than two terms. They usually only serve one.

(1650)

That rate of turnover in my view not only renders the House somewhat less effective than it might otherwise be because it lacks a stable number of members who have experience and are able to transmit that experience to others so that the House functions better as a legislature which is the case in some other legislatures in the world, but it also makes it more difficult for parties to operate as national organs of the state and major

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players in the political process because they are unable to depend on having a reasonable number of members in the House of Commons.

One can only look today at the Progressive Conservative Party which, while some members opposite may wish that it were not a national party, still is in some sense a national party. However, it has no representation effectively in this House. Of course I would not want to detract from the abilities of the two members who are here but the fact is that it is lacking national representation in this House.

Bear in mind that we have in Canada a Parliament with a massive rate of turnover. I turn to other foreign legislatures like the House of Commons and ask is there a power of recall in any of them? The answer is no, there is not.

I invite the hon. member for Beaver River to tell me of another national legislature, not a state one and not some municipality, that has recall. I do not know of any. I do not think there is a single one.

Why should Canada be a leader in this field and change its electoral process when nobody else thinks this is smart? Everyone else thinks it is not a good idea and I suspect that Canadians probably on reflection ought to think very long and hard before they make this kind of change.

The third factor I think is important is the length of the term to which members are elected to this House. It is a maximum term of five years. In the scheme of things that is not very long. Human civilization has been around for a few thousand years. Parliaments have been elected in the United Kingdom for something over 900 years. Five years in the scheme of things is not a long term and most terms are less than that. Five is the maximum and very few parliaments run to the maximum term.

We know that Mr. Mulroney ran to a full term because he was afraid of a trouncing that he deservedly got at the polls. But most governments can approach elections with a little more confidence than old Mr. Mulroney could do. Of course he was so nervous he got out and got a successor who was less competent than he was in terms of electoral success. The fact that she is not here and that he is not here bear testimony to the fact that their success rate was poor.

Again, we do not have lengthy terms in Canada. Most members of the House serve for a four year term and sometimes it is less than that. In minority parliaments it is frequently less than that.

Again, why should we have recall added as an extra burden to members of Parliament? Imagine the situation. I invite the hon. member for Beaver River to consider this. In fact the hon. member for Edmonton North in a brilliant Standing Order 31

yesterday pointed out that since the election in October last year the polls in the province of Alberta indicated that the Liberals have moved from 25 per cent in the actual vote to 52 per cent of the electorate in Alberta. She should be quaking in her boots with news like that because if her bill was law now everybody would be running around her riding signing up people to get her out. I do not think that is reasonable.

I like the hon. member for Beaver River. I would feel badly if she were not here. The fact is she has been elected for a term and I am delighted that she is here to serve her term. I look forward to the next election. Maybe one or both of us will not be here to serve in the House after that. Why should she be put in the position of having to run to Beaver River and work in her riding day and night to get petitions signed to stop people from getting her out on a recall? I do not think that is a reasonable expenditure of time on her part. I would rather see her here having her ideas exposed in the House so the voters of Beaver River and the voters of Canada can understand Reform policy. The longer she is here, frankly the better it is for us.

I think she knows that. She would not want to face recall. Maybe that is why it is being proposed. I do not know. But that is being mischievous.

(1655)

The other argument that I think is important in this is that the notion of recall is founded on the idea that members of Parliament are delegates for their communities. In other words the member of Parliament is not to think an independent thought ever. The member of Parliament is to voice the concerns of the majority of his or her community only and never think an original thought.

I do not agree that that is the case. I think many members of the public vote for a member of Parliament not because they think the person is a great delegate or will do exactly as they say. They choose a member of Parliament because they expect the MP to exercise some judgment on issues that cannot be foretold at an election but are not expected to come up and expect the MP to exercise his or her best judgment and make a decision that is in the interests not just of their own community, which of course is important, but in the interests of Canada as a whole.

I realize that with two opposition parties that are very regionalized in their approach this is a tough argument to make in this House, but it is a very important argument because members of Parliament are elected to represent not just their own communities but to represent all of Canada.

Each one of us assumes some national responsibility. We exemplify it in our travels across this country when we speak to Canadians in every part of our land.

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I am proud as an MP for Kingston and the Islands to go to British Columbia, New Brunswick, Newfoundland, Prince Edward Island or Beaver River and speak to electors in those areas and learn about their concerns and appreciate them so that when I exercise my judgment in voting for government estimates and for bills in this House I can give some expression to what I think is in the national interest.

It may not always be fully in accord with everything my constituents tell me but it normally is something that is in the best interests of Canadians as a whole.

Hon. members laugh but I tell them we have had more members on this side of the House vote different ways on issues than we have had from that party. Every vote in this House has been unanimous as far as the Reform Party is concerned and it is the party of the free vote.

Is that really free? I do not want to get into free votes but I am telling hon. members that if they listen to the concerns of other Canadians, if they go around the country as I have done and as I know some of them do, they will hear about these concerns. They will realize that if they are going to express the national will sometimes they are going to have to change their views.

We see these views changing now. We see the views of the Reform Party change from day to day and week to week. Frankly some of us are delighted to see that.

An hon. member: Several times a day.

Mr. Milliken: I think my hon. friend is being unkind to say several times a day.

The other thing we have to stress is the need for members of Parliament when elected to withstand the ups and downs of popularity. I know that the hon. member for Beaver River must be suffering a little now because if the Liberals are 52 per cent the Reform must be at something else in Alberta and it has to be something considerably less than 52. I do not know what it is. Maybe she knows the figures and would like to tell us about that in a subsequent speech.

The fact is our popularity will go up and down. I know that our popularity stayed very high for a long time. My suspicion is it will stay high for a while yet but there will be a day, I am sure, when our popularity will go down. However, I do not think that parties and members of Parliament should be put in a position where they can be recalled, particularly at the nadir, when things are in real trouble for the party because things have gone wrong.

In a cycle of four or five years there are ups and down. I believe that members should be free to serve their term to the end and express the views of their constituents and of the country and vote in accordance with that combination of wishes that are known to them by Canadians across this land.

I hope that would be the case and that we would not seek to regionalize our party structure, our representation, by instituting recall on members so that at times of difficulty they face recall.

I urge members on all sides of the House to consider that very carefully in their votes on this bill.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, at the beginning of my address to the assembly I would like to remind the Bloc member who spoke a while back of the incident of the recall that occurred in Arizona approximately eight years ago.

We do not have to go back to 1920 to see the power of recall in the state of Arizona where the governor of that state was recalled when the people would no longer accept his leadership.

(1700)

I believe that the collective wisdom of the people is always greater and superior to that of a handful of politicians, regardless of how wise or intelligent they may appear to be. Therefore, whenever it is practical and possible we ought to be doing the business of the people by the voice of the people.

I know of a country with a population of less than seven million people with very few natural resources, a harsh climate and 25 per cent of its land area covered by mountains. It has four official language groups, many ethnic sub-groups and large regional economic disparities. You would think that this country would be riddled with economic and social strife but nothing could be further from the truth. This country has had the highest standard of living in the world for the past 50 years, never more than 1.5 per cent unemployment. Inflation is never higher than 4 per cent and interest rates are always about 6 per cent.

It has the extensive high quality health and educational services, generous social services, which I might add are for the truly needy, especially the handicapped, and world class public transportation.

In proportion to population this country has a smallest civil service in Europe, the lowest tax rates and the smallest national budget.

Why does this country enjoy such economic and social success which is currently such a contrast to the Canadian situation? Switzerland, has a recipe for success. It is called the devolution of power. The Swiss have government of the people, by the people and for the people. What a novel idea this country, Switzerland. It is a democracy. The power is literally in the hands of the people. I rise today in support of private member's Bill C-210 which seeks to move the power to where it belongs by providing the electorate with a higher degree of involvement and responsibility within the political process. I support what may be considered the first step toward the devolution of power

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in a country where for too long we have had government of the politicians, by the politicians, for the politicians.

What have we in Canada? We have top down rule. If the system worked, we would support it but this system has produced a debt of half a trillion dollars. We are promised another hundred billion in debt over the next three years. We have a criminal justice system that does not protect society and a parole system that turns murderers and rapists back on to the streets to conduct their criminal activities over and over again. The system is simply not working and it has to be reformed.

The tendency of previous governments has been to increase their own power by employing closed door policies. Only an exclusive few, the cabinet of the federal government, influenced by special interest and lobby groups, have formed the policy making functions. Canadian citizens have been excluded from participating in the forum which decides how their daily lives will be affected.

The effective communication between citizens and their representatives has been cut off. Politicians are not accountable to their electorate on a day to day basis and rather than seeking to gain public confidence through listening and accommodating public concerns, elected officials have spent their time selling the government's programs and legislation to the people. Ottawa spends millions of dollars on advertising to convince Canadians that the policies are good. The media blitz on the GST, the Charlottetown referendum and the little known Canada buy into it scheme never amounted to anything but another waste of taxpayers' money. This would never happen in Switzerland.

I am committed to changing this autocratic means of decision making by restoring power to its rightful owners, the people.

Recall, a procedure that allows the voters to call their representatives to account before the end of their normal term, is but one step in many to putting the power back in the hands of the electorate. I do not know of any other job in Canada where a person cannot be removed from their position for improper conduct or for not doing their job, except for the positions occupied by politicians. The people of Canada must have the right to fire their hired hands.

Elected officials cannot be fired by the very people who hired them to do the job except every four or five years at election time. This leaves the impression that politicians are above the rules and regulations that govern the average Canadian worker. Allowing an elected official immunity from misconduct or incompetence is an absurdity which has added to the current level of political apathy.

(1705)

Recall offers voters the chance to compel their representatives to do their jobs and to account for their actions. It offers them the opportunity to remove elected officials from their

positions if they fail to measure up. We believe in the people's right to govern themselves through truly representative and responsible institutions and that the duty of elected representatives to their constituents should supersede their obligation to their political parties.

When MPs vanish into the disciplinary maw of the parliamentary hierarchies, becoming indifferent to constituents' beliefs and preferences, the electorate becomes disillusioned about the prospect for democracy.

Author William Mishler says: "Political attitudes and behaviour are learned. The political apathy and inactivity characteristic of large segments of the Canadian public are not intrinsic to man's basic nature. They are neither inevitable or immutable. The decision to participate in or abstain from politics is to a substantial degree a conditioned response to the political environment".

Our political system has bred the attitude that the government does not care what people think and that those elected to Parliament have lost touch with the people. The political environment has produced a nation of cynics who hold politicians in contempt. The Tories learned this lesson all too well during the last election.

Recall will force elected representatives to open the doors of communication with their constituents, thereby enhancing the dialogue between them, a dialogue which lies at the core of the representative process. It will also help restore mutual respect between the electorate and the politicians.

Recall would put in place the checks and balances to remove the monopoly of power held by Parliament today. Recall will be the beginning of increased citizen participation whereby representatives become responsible and accountable to those who work for them on a day to day basis rather than every four or five years at election time.

The Swiss know that if democracy is to be meaningful, it has to be a bottom up system of popular government. They are not content with mere parliamentary sovereignty like ours in which all the power is delegated to their representatives. The Swiss can force a vote on all legislation and have the power to initiate legislation.

You would never have a situation in Switzerland where, as here, 80 per cent of the people want less government spending but Parliament increases it or the people do not want to dish out money to interest groups but the government does it anyway.

The Swiss have had a system of initiative, referendum and recall since 1874 and the value of this process is seen in the results. The federal debt in Switzerland is 16.3 per cent of the GDP. Compare that to our federal debt and GDP ratio of 67.6 per cent. We have a debt of over half a trillion dollars, growing every minute of the day.

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It appalls me even to mention what the overall GDP debt ratio is in this country. Our combined federal–provincial–territorial debt is 97.7 per cent of GDP. The overall Swiss debt is 36.6 per cent. Switzerland has very low taxes and an unemployment rate that never goes much above 1.5 per cent while we have one of the highest taxation rates in the world, and an unemployment rate of 10.6 per cent. If we want the same results, perhaps it is time we started giving the power back to the people.

Recall is but one step, the first step toward government of the people, by the people and for the people.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, it had not initially been my intention to speak on Bill C-210—

Mr. Milliken: But you are provoked.

Mr. Boudria:—but as the hon. member for Kingston and the Islands has just said so eloquently, I feel provoked into saying something about what the members have said. The last speaker made our country sound as though crime was rampant everywhere, that we have so much debt that this is the worst place that anyone would want to go to and has described such our great country of Canada.

Where he has said that apathy is rampant among voters, 80 per cent of Canadians vote compared to roughly half of that amount in the United States, that great bastion of recall in the few places where it exists. The member makes no apologies for making those kinds of statements to the House days after the United Nations has said that this is the best place in the world to live, not the worst. We are talking about this business of recall and how recall would, in the opinion of the member who has just spoken, increase the sense of belonging of Canadians. What I see is one party on the government side with representatives from all parts of the country. I say to hon. members that the party that is in government now represents all parts of the country and therefore represents the views of at least the majority, and hopefully even more than that, of Canadians. At least recent public opinion polls seem to suggest that.

(1710)

On the other hand the members who have made disparaging remarks about everything from this parliamentary institution to the country as a whole are now saying: “Give us recall and Canadians will want to belong”. There is something wrong with the argument. We have two opposition parties, each one of them being regional in nature, each one of them, may I respectfully suggest, not having what I consider—and I know this is a question of debate—the best interests of the country at heart.

They may argue that they have. As I say, it is a question of debate. Certainly in the case of one party they want to destroy the country as we know it. In the other case it is a little less clear.

Needless to say, both opposition parties, and in particular the one which is pushing for the recall, acknowledge or at least they should acknowledge that their view is a minority one at best. They claim that recall is the view of the majority but they are suggesting it from a minority standpoint where they are themselves situated. I have some difficulty in trying to follow the logic in their thinking.

Mr. O'Brien: It is illogical.

Mr. Boudria: Maybe it is illogical.

They are saying in this bill that if one-half of the voters in the last election who cast their votes asked for a recall, then there should be one.

Let us see what is wrong with that argument, if we can get into the technical merits of the bill. We have a country where we had 14 political parties at the last election. In most constituencies across the way, may I suggest, members were elected with less than 50 per cent of the votes.

This means that anyone who did not vote for them in the last election could immediately initiate a recall afterward for every single member that was elected with less than 50 per cent of the vote.

We have five political parties represented in the House. How many members, particularly on the opposition side, were elected with more than 50 per cent of the votes in their ridings? Some were and some were not. For everyone who was not elected with 50 per cent or more of the votes, is that in itself grounds for recall? It would be under this bill.

Mr. Epp: Read the bill.

Mr. Boudria: I have read the bill. I could give the Table a copy of the red book. It has more than 200 words in it. Say that a copy of the red book is tabled along with a covering letter. I have provided the 200 words necessary to initiate recall in a riding of an hon. member that got less than 50 per cent of the votes. I am indicating a way in which members who are democratically elected could be turfed out.

How would we measure the performance of a member of Parliament? Perhaps a member of Parliament said something really dumb either here or elsewhere. As a hypothetical situation, say someone said, not that anyone ever would, that this country is too Frenchified or that people have certain south seas tendencies or that people have some other behavioural deficiencies as measured by such an hon. member, were such a member to exist.

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(1715)

What then? Are those grounds to initiate a recall? Let us say a party took a nosedive in the public opinion poll in western Canada. It is a hypothetical proposition, but would it be grounds for initiating a recall?

It certainly could be grounds for recall. After all, they have taken a nosedive in public opinion in western Canada, just as a hypothetical proposition of course. It seems that many people do not want them now and if they do not want them maybe they should be removed from office.

What kind of sense does that make? None. That is why the bill makes no sense.

[Translation]

Mr. Speaker, I have no intention whatsoever of endorsing, voting for or otherwise expressing support for such an initiative. This idea which we can liken to Jean-Jacques Rousseau's belief that there is an omnipresent common will is false. It is especially false in a country as vast as ours. The party opposite compares Canada with Switzerland, a country only slightly larger than the Island of Montreal. This is the kind of comparison it wants to make. If it flies in Switzerland, surely it will fly in Canada, they say. Well, in many respects, this argument does not wash.

Hon. members, in particular those from more remote regions, know full well that what is good for one riding is not necessarily good for another and that what is good for one town in a riding is not necessarily so for another community in the same riding. There is a flaw in the argument that one should always vote as a delegate, instead of exercising some leadership. This approach would not work in a country with many political parties, even if the other criteria were to apply.

Many people are of this opinion. Speaking before a parliamentary committee the other day, Dr. Robert Jackson, a professor at Carleton University, had this to say, and I quote:

[English]

"Would introducing recall of MPs, more referenda and decreasing party discipline increase the prestige, especially the functioning of the House of Commons?". The answer is no.

[Translation]

So said Dr. Robert Jackson while testifying before a parliamentary committee.

If members want to gain more esteem in the public's eye, they will accomplish this goal by doing their job, by being vigilant, by assuming leadership, moral or otherwise, when leadership is called for. Heaven knows that in this day and age, what we need is leadership, not people who change their minds every day, or

even three or four times a day, on the same issue. That is not the way for this House to gain the respect of Canadians.

I have had the honour of being elected several times to this House, of serving at the provincial and municipal levels and of working in other capacities. I do not know if I will be re-elected, since that is for the people to decide, but I am sure about one thing. We cannot gauge public opinion each morning by sticking our finger out the window to see which way the wind is blowing. That is not the way to provide leadership in Canada. We are providing leadership by setting out a program and by coming to Ottawa to do what is best for the people of Canada, the most beautiful and one of the largest countries in the world, and, according to the UN, the best country in the world in which to live.

[English]

The Acting Speaker (Mr. Kilger): Before resuming debate with the hon. member for Laval East, I want to express my thanks to the member for Beaver River and her colleagues for their co-operation.

Due to an oversight I failed to recognize the hon. member for Laval East in a previous round and I extend my thanks again to the hon. member for Beaver River and her colleagues.

[Translation]

Mrs. Maud Debien (Laval East): Mr. Speaker, I would first like to thank the member for Beaver River for initiating this debate on the recall of members of the House of Commons. We feel it is important, in the present political context, to question whether the behaviour and actions of elected officials are in line with the concerns and expectations of citizens.

(1720)

It is essential that we consider this issue, because Canadians and Quebecers are losing faith in the ability of politicians to solve current problems. The disillusionment and cynicism of the electorate may be related to the behaviour of some elected officials.

Bill C-210 obliges all parliamentarians to ask themselves what are the great democratic principles to which Quebecers and Canadians subscribe. As the member for Beaver River noted on April 29, citizens "are demanding that political institutions and politicians listen to them, consult with them, and ultimately be accountable to them".

The Bloc Quebecois, itself born of the will of a people marching towards sovereignty, shares this ideal. I want to remind members of this House that we are very attentive to and concerned about the shortcomings in the Canadian representation process. The will of the people is sometimes not reflected in this process. Yet, we are elected by our constituents. They pay for our decisions and consequently we should represent them during our term in office.

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I feel that these same observations and legitimate concerns led the Reform Party to adopt what they have termed the "recall" principle and to bring this bill to the attention of the House today. Despite the good intentions behind the Reform Party's demands, I must ask members of this House to oppose Bill C-210.

Once adopted, this kind of legislation might not produce the desired results. The result might be the political instability so dreaded by some federalists. When we realize that many members were elected without obtaining an absolute majority, that is, 50 per cent of the votes, this is indeed a concern.

The political rivals of elected representatives might get together and have a petition signed to recall members elected with less than 50 per cent of the popular vote. How can we ensure that member recall does not become a partisan tool to get rid of political opponents?

This bill raises more questions than it answers. For instance, in section 10, it says, and I quote: "The Clerk shall not accept an application for the recall of any one member more than once during the duration of a Parliament". Does this mean that a member who wants to make sure he is not recalled by his constituents can set up a bogus petition that would immediately be considered inadmissible?

Another point which the Reform Party did not raise but which we think is essential is the funding of the activities involved in a petition for recall. The serious issue of political party financing and the financing of groups that organize petitions does not appear to interest the federalist parties, but to us it is crucial.

We must not try to usurp the powers of elected representatives and hand them over to interest groups that are prepared to invest enough money and are able to threaten or actually organize petitions for recall.

I would urge hon. members who are concerned about respect for democratic principles to read carefully and support vigorously motion No. 155 tabled in this House by the hon. member for Richelieu.

In any event, I would also urge hon. members to consider what happened to the only bill similar to the one presented today by the Reform Party, which was ever passed in Canada.

(1725)

In 1936, the Legislative Assembly (Recall) Act was brought in by the Social Credit Premier of Alberta, William Aberhart. The very next year, citizens of Alberta tried to exercise this power of recall against their Premier. Feeling trapped, the Socred government eventually repealed the act and declared void all ongoing recall procedures. This Canadian experience alone clearly shows the vulnerability of such a bill.

This procedure is said to exist in many American States but is so seldom used that one can wonder about its reliability. As for recall being a sword of Damocles dangling over the heads of members of Parliament, I am of the opinion that the respect I owe my constituents should not be a matter of the carrot and the stick. Instead, a relationship based on trust and respect must be established between the voters and their elected representatives.

I will repeat that the reason the Bloc opposes Bill C-210 is because it considers the proposed recall procedure both impractical and impracticable. Other ways must be sought to improve the efficiency and effectiveness of the democratic process. And I would say that the Standing Committee on Procedure and House Affairs is doing just that; it is examining a number of ways to do so.

Our opposition to recall through petition must not be construed as support for the current system. We are fully aware of the failure of politicians in terms of representativeness at the federal level. We are the first to disparage this failed system.

Until the Bloc Quebecois arrived in this House, Quebecers sent members to defend their interests in the House of Commons year after year. Quebec politicians of great merit and with lofty ideals came to Ottawa to ensure that Quebec finally got its share within this federation. One after the other, they got caught up in a system that made them forget why Quebecers elected them. Our members changed. They came here as Quebecers' representatives to the federal government. After a while, they became the federal government's representatives to the Quebec people. They sometimes reluctantly neglected Quebec's interests in order to please their leaders, their officials, their colleagues from the nine other provinces or their caucus.

Quebecers in the four major national parties could only count on one member out of four to defend their interests. Politicians were destroyed by the vicious circle of the federal system putting Quebec at a disadvantage. However, since the Canadian federal steamroller was stronger, they resigned themselves or went home completely disillusioned.

It took time but Quebecers managed to end this vicious circle. Without having to use petitions for recall, Quebecers in a democratic vote last October 25 decided to send to Ottawa 54 elected members fundamentally dedicated to the defence of Quebec's interests. We intend to continue to defend their interests and to be vigilant.

Nevertheless, we do not want a partisan debate on whether or not members should be recalled on the basis of citizens' petitions. I would simply remind my friends in the Reform Party that we share their fears about certain elected members not meeting their basic commitments. However, recalling such members is not a solution; on the contrary, it is likely to make the problems of Canada's political system worse.

Adjournment Debate

[English]

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(3), the order is dropped to the bottom of the order of precedence on the *Order Paper*.

ADJOURNMENT PROCEEDINGS

(1730)

[Translation]

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

OFFICIAL LANGUAGES

Mr. Jean-Marc Jacob (Charlesbourg): Mr. Speaker, I want to discuss the status of official languages, particularly in the Department of National Defence and in the Canadian Armed Forces. In recent months, and especially since the closure of the military college in Saint-Jean, a lot has been said on the current language situation in the armed forces, as well as on the somewhat idealistic intentions and promises of the defence minister concerning the future of French in the armed forces.

In 1963, through the royal commission on bilingualism, Prime Minister Pearson made substantial changes to the drafting of the Official Languages Act. As early as 1966, General Allard, who was the first French-Canadian to become Chief of Staff, published directives recognizing the equal status of the French and English languages in the armed forces, as well as the right of every person to serve his country in his own language.

At the time, the Canadian forces were spearheading the linguistic efforts which were to follow in federal institutions. In 1972, these efforts resulted in the first official languages plan for the armed forces. This was a 15-year plan. Unfortunately, in 1987, it was discovered that several objectives had not been reached, in spite of all the good intentions and valiant efforts. That same year, a new 15-year plan, to 2002, was drafted.

In November 1992, a report commissioned by the then-Minister of Defence again found flagrant and near-unresolvable shortcomings. Here again, with a great deal of good will, the armed forces had prepared incentive standards and changes in their official languages plan and its implementation. Unfortunately, we must now face the following facts: 40 out of 68 military-career-related courses are given in both languages—4 out of 4 military training courses, 9 out of 14 for the navy, 8 out of 14 for the air force, and 19 out of the 36 courses applicable to all three branches of the armed forces. It goes without saying that all 68 courses are available in English.

There is also a shortage of French-language military training manuals, and bilingual instructors are in short supply; the majority of bilingual instructors are Francophones. The number of bilingual Anglophones even declined from 1972 to the end of 1993. The number of bilingual Anglophones has now slipped to 4,200 from 5,000 in 1972. In the officers' ranks, 18 per cent of senior officers are Francophones—all of them functionally bilingual. Only 12 per cent of Anglophone officers are bilingual, and most learned French at the Collège militaire royal de Saint-Jean.

It is impossible for me to list, in so little time, all of the shortcomings that exist, but I observed first-hand, during meetings and visits with the joint defence committee, that the army operates in English, and in both languages in Quebec. At the base in Saint-Hubert, Quebec, all of the briefings given to the defence committee were in one language only: English. So let us, once and for all, be realistic. Fine principles are laid out and dreams that, despite little success in the past—although commendable efforts were made, I must admit—this time, according to the minister, it will be allright.

Unfortunately, the decision to close the military college in Saint-Jean will only exacerbate the problems which have been noted in the application of the department's fine principles. For us, it is just one more piece of evidence that the gulf between the two founding peoples continues to widen and that the present government seems to take perverse pleasure in widening that gulf through its harebrained decision to close the military college in Saint-Jean, which represented hope for the official languages in the Canadian armed forces.

(1735)

Mr. John English (Parliamentary Secretary to Minister of Intergovernmental Relations and President of the Privy Council): Mr. Speaker, the concept of a bilingual officers corps was adopted by the Armed Forces Council on June 28, 1988, to meet the needs of senior officials who had to be able to lead their subordinates in both official languages.

The "working language" remains the main pillar of the official languages program, set up to allow French speaking soldiers to work in French and English speaking soldiers to work in English.

Job and operational requirements of all units must be respected. There are three distinct types of units: the French language units, the English language units and the bilingual units.

[English]

A departmental committee studied the matter of language of work in 1992 and concluded that in the case of bilingual units, civilian and military personnel must be able to communicate with their subordinates in whichever official language those subordinates prefer.

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The most recent report of the Commissioner of Official Languages acknowledges that progress has been made over the past year in the three pillars of the official languages program, even though according to Commissioner Goldbloom this progress has sometimes been slow, no doubt because of the complexity of the organization involved.

VIA RAIL

Mrs. Elsie Wayne (Saint John): Mr. Speaker, I rise to pursue a question I asked the Minister of Transport last month about passenger rail service.

In answering my question the Minister of Transport assured me that the government would expedite whatever measures were necessary to accommodate good railway service, both passenger and freight, in New Brunswick and in the rest of Atlantic Canada.

In previous years members of this government protested loudly whenever the previous government announced any and all cuts to VIA. Now they seem to have no compunction about carrying out cuts of their own. What no one in this government has ever said is that it was a Liberal government which first took VIA service away from the people of Saint John and it was the Tory government which gave it back. Now our train is once again under the axe.

Back in 1989 when he was a member of the opposition, the current minister of government services said that VIA cuts will separate Canadians geographically, economically and socially. He is absolutely right.

In the same year the current Minister of Fisheries and Oceans called the previous government's cuts to VIA a short-sighted policy that not only will deny in the short term the people of Canada a rail passenger service which in itself is important and devastating for the communities to be affected, but more fundamentally, it is denying Canadians as we move into the nineties and in the year 2000, the future.

In 1991 the current government House leader called the previous government's cuts to VIA and other institutions a blueprint for de-Confederation.

After making statements such as these I fail to understand why this government believes it can credibly defend its miraculous change of heart. This is also the reason I take small comfort in the Minister of Transport's assurances when he says he and his government will do what is necessary to preserve good railway service.

In his speech on June 3 in Thunder Bay, Ontario, the Minister of Transport said that the rail industry is gripped by problems of overregulation, of mismanagement, of overcapacity, of financial losses, of archaic work practices, of out of date legislation. Later on the same day the minister said: Canadians over the decades have constructed one of the most sophisticated and successful transportation systems in the world.

If one is not left unsure about what the minister actually thinks about our rail industry, one is at least forced to ask: If the minister believes his first statement, why does he not help reorganize the railway instead of walking away from the problem? Instead of cutting back on services and allowing the abandonment of lines, why does he not make the industry put its house in order?

I do not feel that all the blame about the problems facing the railway industry should be put on the shoulders of the unions.

In the same speech the minister said Canada needs a transportation system that contributes constructively to Canada's economic well-being. He also said that within Canada itself the cost of transporting goods is equally important. Forty per cent of provincial exports are sold in regions of Canada other than where they are produced. Transportation is an integral part of the everyday lives of millions of Canadians.

(1740)

I would argue that maintaining the entire line from Saint John to Sherbrooke is vital if we want manufacturers in the region and users of our port to have adequate access to central Canada and northeastern American markets, the bread and butter of our exports.

Although there is expectation that a shortline operator will purchase and operate part or perhaps all of the line from Saint John to Sherbrooke, the people of Saint John feel that the status quo should be maintained. Abandonment is wrong. For the economic well-being of our entire region a direct line is vital.

I repeat now what I said when I originally asked the minister the question a month ago. VIA's Atlantic train between Halifax and Montreal is well used and important to the people of Saint John. With this in mind, I ask the minister to further clarify how his government plans to ensure good railway service in our region.

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on the question of VIA nothing could be further from the truth than what the member has just said. This government has not announced any service cutbacks to VIA nor will it until the negotiations are finalized.

I want to deal with the specific question of May 12, 1994 regarding the possible requirement for an amendment to the National Transportation Act to allow for the continuation of VIA passenger operations over the lines of a provincial shortline railway.

CP has narrowed down its list of potential new operators for its Canadian Atlantic railway lines to two: Cantrak and Guilford. Although I am not privy to CP's plans, we have all heard that CP may be announcing the successful finalist sometime in June.

Details about a conveyance agreement between CP and the new operator are unknown to this government at this time. If an agreement is reached and filed with the National Transportation Agency before the end of 1994 when the abandonment order

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takes effect, then the agreement information becomes public and will shed light on the issue of federal-provincial jurisdiction.

With an agreement being filed, the agency as required under the National Transportation Act would have up to six months to approve the conveyance agreement, if it is in the public interest and if the purchaser is authorized to operate a railway.

If no agreement is filed before January 1995, then the Canadian rail line segments which have been approved for abandonment would no longer come under federal jurisdiction. In this case the contents of the conveyance agreement would become known if CP Limited chose to reveal any of this information. Hence we may not know until then whether or not the new operator will come under the legislative authority of Parliament or under provincial jurisdiction.

At the present time VIA operates over CP lines under a train service agreement. The NTA provides protection of existing VIA passenger service in the event that the conveyance by vesting any obligations related to VIA services with the new owner of the conveyed line. Under these circumstances accommodation for VIA would have to be built into an agreement between CP and the rail company to which the lines are conveyed.

The National Transportation Act would not prevent VIA from operating over the lines of a rail company that is not within the legislative authority of Parliament. After all, VIA currently operates over trackage through Maine which is under U.S. federal jurisdiction.

In closing, owing to the speculative nature of the question and lack of a clear demonstration that legislative amendments or other changes will be required at this time, I can only reiterate the minister's assurance to the hon. member for Saint John. The government will expedite legislative changes or other regulatory modifications if and when they are required to accommodate good passenger and freight railway service in New Brunswick and the rest of Atlantic Canada.

ABORIGINAL VETERANS

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, on June 3 I rose in the House during Question Period to ask the federal government to address the grievances of Indian veterans.

At this time when Canadians from coast to coast are beginning to celebrate the 50th anniversary of various events that led up to the end of the second world war in 1944, it seems unreasonable to leave the grievances of aboriginal veterans unresolved. These grievances concern the benefits aboriginal veterans received for their services in the first world war, the second world war, and the Korean war and these grievances are long standing.

The National Indian Veterans Association and the Saskatchewan Indian Veterans Association have worked hard to bring these issues to the attention of the public. Aboriginal veterans have told their stories many times before. They have told about Canada's demand that a person of aboriginal descent had to give up their Indian status to contribute to the war efforts. They have told about the bureaucratic nightmare that resulted from the clash of Canadian laws and policies derived from the Indian Act, the Soldier Settlement Act and the Veterans Act.

(1745)

Aboriginal leaders have told about the uneven distribution of veterans benefits to First Nation and aboriginal veterans. They have told about the educational and vocational assistance that was not provided to them and they have told about the unequal granting of hospital and medical benefits because they were Indians under the jurisdiction of the Indian Act.

These grievances are not easily dismissed. We have even been told about the surrender of First Nations land that was later used for soldiers settlements after the war, the surrender of land that was Indian land to begin with.

A number of proposals have been put forward to help resolve these issues and I would like to ask the government to respond to these requests immediately. The first short term recommendation is that Canada make available resources in order for the aboriginal war veterans associations, the Legions and other organizations in the regions of Canada to be annually represented at ceremonies in the nation's capital on Remembrance Day.

In the longer term Canada must continue to address the benefits issues and make available to all aboriginal veterans the same benefits that were available to all returning Canadian war veterans. This must be researched and reimbursement of those lost benefits must be paid to these people if they are living and if not, to their descendants.

I think there are other remedies that must be considered, not the least of which are the payment of compensation for expropriated land and the reinstatement of offspring of First Nations aboriginal war veterans who were affected by the involuntary loss of status associated with their joining up with the forces.

First Nations people willingly volunteered their services in the belief that they were helping Canada. Now Canada must take the opportunity to right the wrongs and the injustices.

When I first raised this question in the House of Commons earlier this month the minister responsible for veterans said that he was not aware of any such injustices. As we speak, Mr. Speaker, you and most members of this House are aware that the members of the Senate are conducting public hearings on this very important subject and in just a few days the Indian veterans

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are meeting in conference in Saskatoon to further add to the growing evidence in support of their arguments.

In this regard I call upon the government, not just the minister responsible for veterans, but the entire government, the Prime Minister, the Deputy Prime Minister, the Minister of National Defence, the Minister of Indian Affairs and Northern Development, any minister in the government across the way to recognize the seriousness of this question and take steps immediately to begin the process of resolving these important matters.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs): Mr. Speaker, I am pleased to have the opportunity to respond in greater detail to the concerns raised by the hon. member for The Battlefords—Meadow Lake that aboriginal veterans have not been treated the same as other war veterans.

When the National Aboriginal Veterans Association first raised allegations of unfair treatment in the early 1980s Veterans Affairs Canada asked it to bring forward any case in which a veteran believed that unfair discriminatory treatment had been received.

Several hundred cases have been put forward since that time. All were thoroughly reviewed and not one provided any evidence to suggest that there had been any unfair or discriminatory treatment.

In addition to these file reviews the National Aboriginal Veterans Association was provided office space and administrative help by Veterans Affairs to assist it with the development of its report to the royal commission on aboriginal peoples.

Notwithstanding the association's extensive research and file reviews, no evidence of maladministration was cited by the National Aboriginal Veterans Association in its report to the royal commission.

Turning to the legislation itself, if hon. members review any of the veterans legislation they will find that the definition of veteran makes no distinction between aboriginal and non-aboriginal veterans. Simply put, a veteran is anyone who has served in the armed forces or the merchant navy during wartime.

The one instance in which it was necessary to make special reference to aboriginal veterans was in the Veterans Land Act. The purpose of that reference was to ensure that Indian veterans living on Indian reserves were able to obtain benefits under that act.

The fact is that no allegation of discrimination has any basis in veterans legislation. There is no discrimination in the law and again the report submitted by the National Aboriginal Veterans Association to the royal commission confirmed the conclusion that veterans legislation does not discriminate against aboriginal veterans.

In view of this background and in view of the comments of the hon. member, the position taken by the Secretary of State for Veterans in response to the hon. member's question earlier and today is the best possible approach.

(1750)

If the hon. member is aware of any veteran's case as he suggested that he is today, aboriginal or non-aboriginal, any case in which discrimination or unfair treatment is alleged, bring that case to the secretary's attention and it will be, I assure members, thoroughly reviewed and any appropriate action taken without delay.

[*Translation*]

CRTC

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I would like to take this opportunity to address again the subject of pay-per-view television.

Two proposals were submitted to the CRTC: one by Astral and one by Chapiteau, a consortium formed by the CBC's French network, TVA, TQS, Radio-Québec and Cogeco. Neither proposal was accepted. The commissioners, who could not agree among themselves, refused to issue a licence for one of the two tv proposals aimed at francophones.

Three commissioners, two francophones and chairman Keith Spicer, agreed with Chapiteau, but they were the minority. However, we are talking about a vital instrument for the development of French culture, which would have competed with English language specialized channels and new U.S. tv content.

Pay-per-view television is a relative newcomer to Canadian tv. In March 1991, Viewer's Choice Canada, a joint venture, obtained a network licence to offer a pay-per-view television service.

In Montreal, Vidéotron subscribers, the majority of whom are francophones, already have access to English-language pay-per-view television via the Viewer's Choice channel, in which Astral has a majority interest.

The Quebec Minister of Culture has asked the federal government to review the CRTC's decision. It is unacceptable that francophones should be deprived of this service. We are being deprived of an optional cultural channel that is an indispensable adjunct to developing the creative potential of Quebecers and francophones in Canada.

This decision totally ignores Quebec's position on the development of new tv services. This comes in addition to the judgment by the Supreme Court on telephone services and the federal government's failure to allow Quebec to control its own instruments for economic and cultural development.

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We cannot tolerate this situation. The minister must intervene, first in cabinet, and then demand that the CRTC, as provided under section 28(1) of the Broadcasting Act, amend its recent decision.

We cannot tolerate that the CRTC, as a result of this decision, should treat francophones differently. We are simply asking for fair treatment.

At the same time, the CRTC issued eight out of ten licences to English-language channels, which means francophones have to pay for channels whose programming does not necessarily reflect their concerns or cultural interests.

Not surprisingly, we are not satisfied with this outcome, and our conclusion is that our interests are not well served. I would therefore ask the minister to refer the issue to cabinet and have the CRTC review its recent decision.

Mr. John English (Parliamentary Secretary to Minister of Intergovernmental Relations and President of the Privy Council): Mr. Speaker, concerning the request by the hon. member for Chicoutimi that the minister personally call upon Cabinet to enforce section 28(1) of the Broadcast Act and to change the CRTC's decision, I would like to inform the hon. member that when the CRTC refuses to grant a broadcasting license, the government cannot invoke the provisions of the legislation.

[*English*]

However, I would like to indicate that the refusal of the two pay-per-view television proposals does not mean that the CRTC has no intention of encouraging French language television services. On the contrary, I am pleased to note that the franco-phone market will have the benefit of two new French language services.

In addition, the CRTC has clearly let it be known that it is ready to receive and consider new applications to offer French language television services and specifically French language pay-per-view services.

[*Translation*]

However, when an application has been refused, as was the case with the applications submitted by Canal Première and Chapiteau, the government has no authority to cancel or overturn the CRTC's decision.

[*English*]

The Acting Speaker (Mr. Kilger): It being 5.55 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 5.55 p.m.)

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