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Wednesday, June 22, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Wednesday, June 22, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

CHARLES MUNROE

Mr. John Finlay (Oxford): Mr. Speaker, on Sunday, June 19, Mr. Charles Munroe, a lifelong resident of Oxford county, was formally inducted into the Ontario Agricultural Hall of Fame.

He began his service to agriculture as the president of the Oxford Junior Farmers in 1941. Over the ensuing years he became president of the Oxford Holstein Breeders, president of the Ontario Federation of Agriculture and president of the Canadian Federation of Agriculture. Finally in 1972 to 1974 he served as president of the International Federation of Agriculture in Paris, France.

It is obvious that Mr. Munroe has committed his life to working for the farmers of Canada and the world. He has participated in many international meetings from Tel Aviv to Tokyo on behalf of Canadian farmers. The accomplishments of this man deserve not only the recognition of the agricultural community but of all Canadians. Indeed he is a recipient of the Canada Centennial Medal.

On behalf of all members of Parliament I congratulate Charlie Munroe on this prestigious and well deserved honour.

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[*Translation*]

INTERNATIONAL CROSSING OF LAKE MEMPHREMAGOG

Mr. Gaston Péloquin (Brome—Missisquoi): Mr. Speaker, the international crossing of Lake Memphremagog is a major tourist attraction in my riding of Brome—Missisquoi. The sixteenth crossing, to be held from July 15 to 24, will be an important event and a major challenge, both because of the

competitive aspect and the quality and number of participants involved.

I am confident that the 400 or so volunteers involved in the preparations along with the organizing committee will continue a long tradition of excellence that has always been characteristic of this world class event.

I urge all Canadians and Quebecers to come and share the excitement when the best long-distance swimmers in the world, who meet every summer in Magog, take up the challenge to swim across Lake Memphremagog.

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[*English*]

TIME ALLOCATION

Mr. Bob Mills (Red Deer): Mr. Speaker, last night I witnessed a true wake up call in the House as the Liberal government abused closure provisions in order to hasten its summer holiday.

The Liberals across the way promised Canadians during the last election that things would be different when they were in power. They called for integrity in the system yet last night all we witnessed was a return to the Mulroney strong arm tactics of the past.

When will Canada have a real democratic government, dedicated to the people? When will we see an end to the policy of closed doors, hidden agendas and business as usual?

Total disrespect for democracy by imposing closure has to be a low moment in the House. The people of Canada reel at the thought of Mulroney style politics as usual and will show the government their disgust at the polls in the future.

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IMMIGRATION

Mr. Gar Knutson (Elgin—Norfolk): Mr. Speaker, I am proud to rise in the House today, on June 22, to recognize this day which marks the 125th anniversary of Canada's first Immigration Act and the creation of Canada's immigration service.

I am honoured to be representing the Minister of Citizenship and Immigration while he participates in a special commemorative ceremony at the Palais des congrès in Hull. The minister is marking this anniversary with a special permanent residents and

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citizenship court ceremony demonstrating the vital link between immigration and citizenship which his new department symbolizes.

On behalf of all Canadians I pay tribute to the dedicated employees who serve today and to the pioneers of yesterday who helped build our nation through immigration starting 125 years ago today.

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BATTLE OF NORMANDY

Mr. Ivan Grose (Oshawa): Mr. Speaker, this is from one generation to another. Fifty years ago a battle of unimaginable ferocity was fought on the beaches of Normandy, a battle that will be talked about for a thousand years to come, one which will be known as the bravest day.

We live in freedom and prosperity today as a generation of ordinary Canadians who have never known the anguish of war and separation wish to say something to that generation who were there. We wish to say that we remember. We wish to thank them for their courage, their sacrifice and their deed.

This message of gratitude comes from ordinary people who have realized that to let this occasion pass without a salute to them would be a sad oversight which would surely bewilder generations to come. Whatever battles are left to be fought, let us all hope that the greatest one is now behind us.

This was written by Gary Hesketh to his father, a veteran and my friend, Red Hesketh, and inserted as a full page ad in the Toronto *Star* on June 6, 1994.

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THE GOLDEN TEMPLE

Ms. Colleen Beaumier (Brampton): Mr. Speaker, this month Sikhs around the world are commemorating the 10th anniversary of the tragic army assault against their holiest shrine, the Golden Temple.

In 1984 the Golden Temple and 37 other historic and religious places were destroyed by aggressive army assaults. The Sikh nation calls those who were killed martyrs, and on the 10th anniversary of this tragedy I call upon all members of the House to pay homage to thousands of innocent people, including women, children and seniors killed during these attacks.

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[*Translation*]**AGRICULTURE**

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, contrary to what Ottawa claims, our agricultural policies are not in

disarray because of international commitments. The federal government is to blame.

(1405)

The Liberal government reduced farm subsidies to meet GATT requirements, when we had already met our commitments. The same government is giving in to demands from the Americans with respect to foreign trade.

We must stimulate the agricultural sector and do so through carefully considered action. Changes in the Crow rate should reflect equal treatment of eastern and western producers. The Liberal government should declare a one-year moratorium on sales of the BST hormone, and any concessions made on the international scene should be met with benefits for Canadian producers. That is how a responsible government should prepare for agriculture 2000.

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[*English*]**TIME ALLOCATION**

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, I want to begin with a quote: "Government must be judged by its effectiveness in promoting human dignity, justice, fairness and opportunity".

Nice words but I am afraid their meaning is hollow. Those words come from the Prime Minister in the fabled red book. Unfortunately last night the government showed that the words were only rhetoric. By invoking closure on several key pieces of legislation the government showed its true colours.

How does closing off debate serve the purpose of justice, fairness or opportunity? If anyone in Canada had any remaining doubts about the role of the Bloc Québécois as the Official Opposition, those doubts went out the window last evening.

Did the Official Opposition stand up for freedom and for all Canadians? It did not. Now all Canadians can see the Bloc Québécois Party for what it truly is. Both the government and the Bloc Québécois can share in last night's shame.

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MILITARY BANDS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I rise today to protest a recent decision by the Department of National Defence concerning the status of pipers in the bands of the 15 highland regiments of the Canadian militia.

The removal of pipers from the militia role and the likely damage caused by this to many fine bands like that of the Queen's Own Cameron Highlanders in Winnipeg or the Black Watch in Montreal is a sad and infuriating attack on a good tradition and on the morale of these regiments and their supporters.

No such requirement has been laid on brass bands. I call on the Minister of National Defence to reverse this discriminatory foolish decision. The Black Watch Pipe Band is a well loved Canadian institution in Montreal. Liberals should protect it instead of being up to their old tricks and trying to eliminate anything that smacks of British tradition.

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HABITAT FOR HUMANITY

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I am proud to inform the House that Catherine and Ron Hewson are cycling across Canada and have a support team of Irene and Jake Pauls travelling with them. The cross-Canada cycling trip started on May 28 in St. John's, Newfoundland, and they will reach Victoria, British Columbia, on July 29.

These young Canadians are from my riding. They are giving of their time and energies to promote Habitat for Humanity. Habitat for Humanity Canada was established in 1985 and now has 22 established affiliates in six provinces. More than 29 new affiliates are also forming in other provinces.

Habitat for Humanity is an ecumenical Christian housing ministry seeking to eliminate poverty housing world-wide and to make decent shelter a matter of conscience and action.

I am pleased the Canadian headquarters for this excellent organization is located in Waterloo under the able leadership of Wilmer Martin. It is examples like these that make Canada a great place to live.

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EMPLOYMENT

Mr. Geoff Regan (Halifax West): Mr. Speaker, I remind the House of the government's strong commitment to job creation for Canadians and ensuring that Canadians get first crack at opportunities.

A case in point is the *Nordic Challenger*, a shuttle tanker which moves oil from offshore Nova Scotia to Canadian and foreign ports. It is operated by Lasmo Nova Scotia Limited. In past years the crew aboard this vessel consisted solely of foreign workers. In April of this year the exemption for the use of foreign workers aboard the vessel came up for renewal.

In spite of Lasmo's attempts to justify the hiring of only 12 Canadians, the government stood firm and refused to extend the exemption. The previous government routinely renewed the exemption, claiming it was acting for the benefit of the economy.

(1410)

The government's major priority is jobs for Canadians. That is why the Minister of Human Resources Development and the

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Minister of Citizenship and Immigration stood up for Canadian workers and refused to allow foreign interest to carry the day.

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IMMIGRATION

Mr. John Cannis (Scarborough Centre): Mr. Speaker, the recent announcement that changes are now being made to the immigrant determination process should be cheered by all Canadians. This first step is a valuable tool in making the system more accountable to the Canadian public. It maintains and protects Canada's traditional role as a country for those truly seeking a new beginning.

Accusations are rife that the minister had a knee-jerk reaction to the recent events portrayed in the media. This is not the case. Rather these amendments are well thought out and the result of our government's ongoing commitment to the consultation as outlined in the red book. These amendments give us the tools to turn away those who wish to abuse Canada's generosity.

I commend the Minister of Citizenship and Immigration for his hard work and effort on the part of all Canadians and the introduction of his timely amendment.

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[Translation]

SAINT-JEAN-BAPTISTEDAY

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, June 24 is Saint-Jean-Baptiste Day, the day on which we honour the patron saint of the city of Montreal. Today, both personally and on behalf of my constituents of Vancouver East, I would like to wish all Quebecers a happy holiday.

As a native of Turin, Italy, a city which shares the same patron saint, I know how important holidays like this are. I hope that June 24 will be a happy day for all Quebecers and I also hope that it will be celebrated together by all, as Canadians, in the years to come.

From my home on the Pacific coast all the way to the Atlantic coast and from the American border to the North Pole, Canadians want to strengthen the ties that bind Canada's provinces and territories and work together to resolve their problems and foster a more acceptable climate for all. As the saying goes, united we stand and united we must remain.

Happy Saint-Jean-Baptiste day to all Canadians.

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CANADIANPEACEKEEPERS

Mr. Maurice Godin (Châteauguay): Mr. Speaker, the war in Croatia claimed another victim yesterday. Corporal Mark Robert Isfield was killed when he stepped on a land mine. His senseless death leaves us with even less hope today that the warring factions will finally lay down their arms. Often, the loss

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of a loved one brings home the full extent of the horror being experienced by those at war in the former Yugoslavia.

Canadian peacekeepers in this region of the world play a vital role in efforts to have all parties find a peaceful solution to their long-standing differences. It is a paradox that these soldiers should be working tirelessly for peace in the midst of such a bloody conflict. Those who have known war often say that there are no heroes, only victims and those who are left behind. Today this soldier is the victim, while we are the ones left behind.

On behalf of all the members of this House, I want to extend my deepest sympathies to the victim's family.

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[English]

TIME ALLOCATION

Mr. Grant Hill (Macleod): Mr. Speaker, a valued friend of mine has quietly passed away, unheralded by jaded media, shunted aside by cynical forces, a battered veteran, a hero of past battles. This poem expresses my sorrow:

You fought the fight
When weaker forces paled.
You stood for freedom
When others shrank and failed.
Your final days will never be forlorn.
We mourn your passing,
The flag is rent and torn.

Yes, closure crushes the life from democracy. We mourn, we mourn, we mourn.

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HERITAGE

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, in 1985 UNESCO, recognizing the unsurpassed heritage value of the historic area of the old port in Quebec City, placed it on the world heritage list of sites of great historical and cultural significance. Since then there has been a continuing incursion of construction projects in the very heart of the old port.

In 1986 the federal government built an eight-storey aluminum covered condominium which was later declared an insurmountable visual barrier from all angles. The federal government has also under construction a naval reserve training school in the old port. There is now proposed an IMAX theatre with an attached multilevel parking garage. Last night at a meeting in the city hall 12 of 14 papers submitted opposed this new project.

It is my hope that the Minister of Canadian Heritage will not allow the continued invasion by private and public developers of our priceless international heritage. It is in the best interest of all Canadians to protect the port of old Quebec.

(1415)

[Translation]

CANADIAN SOCIAL FABRIC

Mr. Peter Adams (Peterborough): Mr. Speaker, today I want to talk about the ties between my family, my riding of Peterborough and Quebec.

I arrived in Montreal as an immigrant. I studied there and married my wife there. Two of our children were born there. Later, I worked in the mining town of Schefferville, where another of our children was born. I moved to Peterborough to teach at Trent University, which has built its reputation on studies of Canada, its native peoples and its founding nations. Our hockey team, the Petes, has provided the Montreal Canadiens with several great players. Bob Gainey was born in Peterborough.

These are a few examples of the millions of ties that make Canada a great and proud country.

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[English]

THE LATE ED MCCULLOUGH

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, I stand in the House today to pay tribute to the late Ed McCullough, a pioneering member of the Co-operative Commonwealth Federation and former member of Parliament for the Saskatchewan riding of Moose Mountain. Mr. McCullough passed away on Sunday at his home in Cannington Lake after a lengthy illness. He was 85 years old. Born in Moose Jaw, he grew up on his farm near Ponteix in southwest Saskatchewan.

Ed McCullough was first elected in 1945 as one of 18 CCF MPs from Saskatchewan. Although defeated in 1949 he was re-elected in 1953 and in 1957.

Ed was known as a very generous man to all who knew him. He farmed near Cannington, was active in the co-op movement and was a long time member of the Saskatchewan Wheat Pool and other local co-ops.

Ed was a man of vision and very highly principled. He was a Canadian pioneer who contributed greatly to the quality of life in his community, his province and his country. He was an inspiration to the people who knew him and throughout all of his life worked to promote co-operative principles.

The funeral is being held today in the Wawota United Church. On behalf of the New Democratic Party caucus and all members of the House of Commons I would like to offer my condolences to his wife Madge, to his daughter Peggy Monson and her family, which I know very well, and to all of Ed McCullough's family members.

*Oral Questions***THE PAGES**

The Speaker: Colleagues, without prejudicing anything that will take place in this House, as many of you know this year's group of pages will be leaving us to pursue other goals and aspirations.

These pages, your pages and my pages, are a good example of the promise of Canadian youth.

[*Translation*]

I thank these 42 young women and men who have served us so well in this, the beginning of the 35th Parliament.

[*English*]

As members we hope that all pages have benefited from their experience here and that some day they may return to serve their country again. They have dedicated much time and energy to making our lives easier and to learning about their Parliament and their country and they have done this while attending their first year of university on a full time basis.

[*Translation*]

I know that all hon. members join me in wishing them every possible success in their future endeavours.

Thank you, my dear pages.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[*Translation*]

REPORT OF FINANCE COMMITTEE

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, a few hours after it was tabled, the report of the Liberal members on the finance committee was resoundingly rejected by several provinces, including Ontario and Manitoba.

(1420)

The Prime Minister and the Minister of Finance both quickly distanced themselves from this proposal to implement a hidden GST that would integrate the provincial sales taxes. In other words, the Liberal report has already been shelved.

Now that the government has returned to square one by disowning the Liberal members' report in that way, can the Minister of Finance tell us what alternative to the GST he intends to submit to the federal-provincial conference of finance ministers scheduled for next week?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, unfortunately, the Leader of the Opposition is wrong. I have in front of me quotes from Newfoundland's finance minister, Winston Baker, who says that he is in favour of beginning discussions; so is Allan Maher, New Brunswick's finance minister.

I must tell you that the Leader of the Opposition quoted Mr. Rae. I have Mr. Rae's exact words, which I will quote in English since he spoke English.

[*English*]

Mr. Rae said he was willing to work with Ottawa to replace the tax, we have a tax that is like sharing a bedroom with a gorilla, so if we can have any suggestions as to how to move the gorilla out of the bedroom I would be happy to discuss that.

I have not had a lot of experience with gorillas in bedrooms—I would interpret that it may well be difficult—but I believe the premier of Ontario was saying he is prepared to co-operate.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the question is who is the gorilla? I strongly suspect it is the Minister of Finance, and I do not like having him in my bedroom.

[*Translation*]

Mr. Speaker, I ask the Minister of Finance if he recognizes that the provinces' negative reaction—he knows that they are against it—to the GST replacement proposed by his Liberal colleagues from whom he seems to be dissociating himself now is a new blow to his government in its relations with the provinces, which have already rejected social program reform, the national health forum and interprovincial trade negotiations.

[*English*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I know I speak on behalf of Mr. Rae. I know that in my case and in his case either one of us would rather share a bedroom with a gorilla than each other.

[*Translation*]

Mr. Speaker, it is very clear. The finance committee's report—I must congratulate the members of all parties who were on that committee. I think that they heard 500 witnesses, they read at least 500 briefs; in any case, they received a lot of people. I think that they did an outstanding job and we will certainly accept it as a basis for discussions with the provinces.

I believe that the main recommendation, namely harmonization with the provinces, is something that everyone—that is, the business community and consumers—wants.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, given the refusal to merge the GST and provincial taxes, a merger that is contrary to the provinces' fiscal autonomy, does the Minister of Finance not admit that the best way to

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correct the present situation and simplify the present confusion is to abolish the GST and transfer this taxation field to the provinces, as the Bloc Québécois suggests?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, as I said yesterday, it must be said that the Chamber of Commerce of Metropolitan Montreal wants the two taxes to be harmonized, as do the Quebec Chamber of Commerce, the Quebec manufacturers' association and the PQ candidate, but not the member.

(1425)

I must tell you that it is clear for the Conseil du patronat that most of the interested groups and individuals in Quebec want harmonization; most of them do not agree with the Bloc Québécois on that and on everything else as well.

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INTERPROVINCIAL TRADE

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Deputy Prime Minister.

While Ottawa and the provinces had promised to conclude an agreement on interprovincial trade liberalization by June 30, negotiations now appear to have broken down. According to the daily *La Presse*, the federal negotiators are even talking about a possible failure of negotiations if several provinces start asking for more and more exceptions.

My question is as follows: As negotiations are continuing in Toronto today, can the Deputy Prime Minister confirm that these negotiations have stalled because several provinces want to preserve the ability of their government corporations to intervene?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): I think that the hon. member has answered his own question, stating as he did that negotiations are continuing as we speak. Naturally, if they are continuing, this means there is no breakdown.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I gather that the Deputy Prime Minister has not taken part in very many negotiations.

I will nonetheless put this supplementary question to her: Will she confirm the ministerial statement to the effect that the federal government is now contemplating not signing an agreement it considers flawed? Does this failure not confirm yet again the inability of this government to negotiate with the provinces?

[English]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the member across the way has just stated that the negotiations are continuing. There is no

breakdown of negotiations. The discussions and the negotiations are continuing and we expect that they are going to bear fruit.

I know that hurts the Bloc Québécois. I know the Bloc Québécois would like to see the negotiations fail so it can continue to repeat its false accusations that Canada is not working.

In fact, Canada is working. Over the course of the last six months we have signed in every ministry of this government harmonization agreements with the provinces to make government work better.

I am sorry that does not follow the Bloc's plan, but it certainly follows the Liberal government's plan.

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TIME ALLOCATION

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is for the government House leader who in March in this House invited me to bring to his attention excessive use of time allocation and closure.

I would like to share some quotes with the House on the subject of closure. The member for Ottawa—Vanier said that it was far from being democratic. The member for Winnipeg St. James called it a draconian device. The member for Kingston and the Islands said it was morally wicked. These are quotes from Liberal members who now sit on the other side of the House.

Does the government House leader concur with his colleagues' description of closure mechanisms?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the comments quoted are quite relevant when there is excessive use of closure.

Unfortunately for the hon. member's question what happened yesterday was not closure. We used the time allocation rules of the House and they were not used to force a decision on the House. Instead they were voted by a majority of the parties in this House, plus the NDP. That is democracy.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, several amendments were brought forward in this House and received almost no debate as result of closure motions, time allocation and closure, I might add.

Members of the current government when they were in opposition consistently maintained that these activities were contrary to democracy and the free operation of this House. Now we have the same members over there defending the use of closure to rush bills through the House before they have received adequate and normal public exposure or scrutiny.

How does the government House leader explain, justify, defend this basic inconsistency, this awful compromise?

Oral Questions

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, how does the Reform House leader explain his party's attempt to filibuster an agreement worked out over a period of 21 years in a democratic fashion by the people of Yukon? He cannot explain that because they were wrong in their filibuster.

(1430)

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, a few hours to go through nine inches of material that is marked confidential and not to be discussed is not adequate time.

I would like to quote from the Liberal red book under the fictitious chapter entitled "Governing with Integrity". "This erosion of confidence in government seems to have many causes, including an arrogant style of political leadership. The people are irritated with governments that do not consult them or that disregard their views, or that try to conduct key parts of public business behind closed doors".

The government campaigned on restoring honesty and integrity to Parliament. Can the government House leader explain where is his government's integrity after the unprecedented action last night of imposing closure and time allocation on no less than four pieces of legislation—

The Speaker: It is true we are getting toward the end but I would hope that questions would be a little more compact as I hope will be the answers as well.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the people across the country and in the Yukon who are watching will want to know that these bills did not suddenly come up yesterday. They were available publicly days, if not weeks, before yesterday. The Yukon bills were studied for over 20 hours in committee.

Instead of bringing up these specious questions, the Reform Party House leader should apologize to the people in the House, across Canada, and in the Yukon for abusing the opportunities that they have to debate in the House.

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*[Translation]***CONVERSION OF DEFENCE INDUSTRY**

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, last week, Quebec's largest defence companies, clearly dissatisfied with Ottawa's policies, announced that they would

get together to press the federal government to change its approach in order to facilitate defence conversion.

Does the minister responsible for Quebec's economic development not see in this action a full repudiation of the federal government's policy by Quebec's defence companies and what does he intend to do now to fulfil his party's election promises regarding defence conversion?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, as the hon. member knows, the minister responsible for this issue, the Minister of Science and Technology, has always said very clearly that the transition to the private sector, which will happen given all the changes in military activities around the world, will be very complex. We are confident that any consultation in Quebec that may help us find solutions will certainly be taken into full consideration.

It will not be easy either in Canada or in other places where the same kind of activity is taking place, but we are very interested in seeing what kind of solutions this group can offer us.

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I am sorry to hear that the Minister of Finance has political identity problems, but I still have a question for him. Given that the spokesman for this new association, Claude Daigneault of SNC Lavallin, announced that 6,500 manufacturing jobs will be lost in the defence industry, can the Minister of FORDP undertake to do all he can to ensure the conversion of these manufacturing jobs, which are crucial to the Quebec economy?

[English]

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I have had the opportunity in the last few months, as late as this week in Montreal, of meeting with representatives of SNC Lavalin.

The effort being made to convert from military production activities into the private and civilian sector is a phenomenon that we are all faced with in free countries around the world.

It is not going to be easy in Quebec. It is not going to be easy in Canada. We are looking forward to recommendations from members of the House, like my hon. colleague, to tell us exactly what they think can be done.

(1435)

Whether it is SNC Lavalin or the consortium to which the hon. member was just referring, when they come forward with solutions to this very complex problem, obviously the Government of Canada and provincial governments across the country will look forward to trying to implement those solutions where they are feasible.

*Oral Questions***THE ECONOMY**

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Secretary of State for International Financial Institutions.

It is being reported today that the secretary of state has said that the government will release an economic statement in September which will include spending cut announcements. Reformers have been demanding such action for months and wish to be assured that this statement accurately reflects the position of the government.

Do the remarks of the secretary of state mean that today the government is prepared to tell investors, taxpayers and lenders in clear language, yes, we will announce deeper spending cuts in September?

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, the quote was not quite accurate. There was no promise or suggestion of a mini budget.

For the hon. member's knowledge I reiterated the budget promise made last February that an economic statement would be made this fall, as we promised, at the beginning of our consultation process with the people of Canada leading to the February 1995 budget.

If the hon. member had read the budget in February 1994 he would know that is not very much news. That is exactly what was said.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, these kinds of statements and the earlier statement just add to the mixed signals and the uncertainty to which the market is reacting.

This is the government's last chance before the summer recess, the last chance to stop dancing around on spending cuts and deficit reduction. It is the last chance to come down hard on the side of deeper spending cuts in order to cope with the deficit.

Is there anyone on the government side, the Prime Minister, the Deputy Prime Minister, the finance minister, who is willing and prepared to commit the government to announcing deeper spending cuts in September?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, if the member wants to talk about confusion, I heard the leader of the third party last week saying that we needed a constitutional crisis to get the country back on track.

Some hon. members: Oh, oh.

Ms. Copps: The only party that is so confused unfortunately is the party across the way that cannot get its act together.

[Translation]

FRANCOPHONE AND ACADIAN COMMUNITIES

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, my question is directed to the Minister of Canadian Heritage. Recently, representatives from the minister's department met various organizations representing francophone and Acadian communities to confirm new cuts in federal subsidies and to try to make adjustments in the department's relations with these organizations.

However, the approach proposed by the department was judged to be unacceptable, and I would like to quote what was said by the spokesperson for the Coalition franco-ontarienne, in referring to the government's discussion paper: "We realized it failed to mention the issues we wanted to discuss. We want a comprehensive policy that respects the principles of the Charter".

Would the Minister of Canadian Heritage, who claims to defend the rights of francophones from the Atlantic to the Pacific, confirm that his discussion paper was rejected by the Coalition franco-ontarienne?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, perhaps I should set the record straight. It is not exactly news to say now that there are budget cuts. Of course there are budget cuts. Just read the last budget brought down by the finance minister.

The purpose of our dialogue with francophone communities is to see how we can decentralize our administration to give them more authority and a chance to identify their needs so they can better serve the communities they represent.

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, the spokesperson for the Coalition franco-ontarienne also said that the government was cutting down to the bone.

(1440)

How can the minister make substantial cuts in subsidies to organizations that are out there to defend the interests of francophones, before deciding on a comprehensive development policy for francophone and Acadian communities, which is on the drawing board in his department?

Hon. Michel Dupuy (Minister of Canadian Heritage): I do not think we have to undertake a fundamental review of this government's policies on official languages. These policies exist and they are being defended and explained, and I believe we will pursue them. What is on the drawing board today is how we can improve and add to these policies.

*Oral Questions**[English]***THE ECONOMY****Mr. Stephen Harper (Calgary West):** Mr. Speaker—**Some hon. members:** Hear, hear.**Mr. Harper (Calgary West):** I do not know what I did.

Mr. Speaker, my question is for the Minister of Finance. Yesterday the government acknowledged that higher than expected interest rates are impacting on the government's budget projections but he said that this would be offset by higher than expected revenues.

We know that higher interest rates are already impacting on the economy and on consumer spending. I ask the Minister of Finance whether he recognizes that continued high interest rates could slow economic growth and put off his revenue projections.

Will he produce new projections on all of these matters in September?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, what I will do in September is exactly what the secretary of state said earlier.

What I said in the budget speech is this. "The government will release a comprehensive statement that will clearly lay out changes in the economic and fiscal outlook since the last budget. Economic scenarios for the future will be put forward and the government's economic and fiscal goals and broad proposals and how they might be achieved in the next budget will be made public".

That was a commitment made in the budget and I intend to carry it out. I would like to congratulate the new member on one of his first questions in the House.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am not sure where the minister has been.

[Translation]

Yesterday, the government changed strategies. It used to blame everything on a Conservative government that no longer exists. Now it blames a Parti Québécois government that does not exist yet.

Mr. Speaker, everyone knows that the real problem is federal management and that a \$500 billion federal deficit is not one of the benefits of federalism.

I direct my supplementary question to the Minister of Finance. What specific effort will he make come September to convince the people of Quebec and the rest of Canada that his government will not bankrupt this country?

[English]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, you can certainly judge somebody by their friends.

[Translation]

What we intend to do is precisely what the Prime Minister has said repeatedly. In fact, if there is something Canadians are very confident that we will provide, it is good government. We will and we do. And this will be made obvious in our statement in September. This is as clear as the fact that the real reason our debt is so high is because of irresponsible statements on the part of certain people that have caused interest rates to soar.

[English]

It is not only from Jacques Parizeau or the Bloc Québécois that we hear responsible statements. As a Canadian, I take some exception to the leader of the Reform Party last week calling for a mini crisis as a way of solving our problems.

* * *

*[Translation]***TRADE**

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, we are forced to recognize that since the Liberals took office, Canada's economic interests have been bumped around like never before by our number one trading partner, the United States. Quebecers and Canadians are hurt by this unacceptable and disrespectful American attitude towards the principles regulating free trade.

(1445)

My question is for the Minister for International Trade. Will the minister explain why, after months of unsuccessful negotiations with American authorities, his government has not been able to reach agreements which promote the economic and commercial interests of Quebec and Canadian producers?

[English]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, the reason is quite simple. The United States' demands are unreasonable.

[Translation]

Mr. Stéphane Bergeron (Verchères): Mr. Speaker, we have heard such hollow answers throughout the session.

Nevertheless, I want to put a supplementary to the Minister for International Trade. How does the minister explain the government's inability so far to put an end to the harassment and threats which Americans subject our producers in the dairy, poultry, softwood lumber, uranium, wheat and other sectors?

Oral Questions

[English]

Hon. Roy MacLaren (Minister for International Trade): The fact is, Mr. Speaker, that the government acted and acted vigorously to bring to a successful conclusion the Uruguay round of the GATT. That success will go some way to resolving some of the dispute procedures which the United States has chosen to follow in its ill-advised and unwarranted activities.

In addition, during the adoption of NAFTA by this government we put in place a requirement that Canada, the United States and Mexico would discuss among themselves practices pertaining principally to anti-dumping, the major tool which the United States uses in its continuing harassment of Canadian exports to the United States, so as to resolve just this sort of issue.

* * *

PULP AND PAPER INDUSTRY

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my question is for the Minister of Human Resources Development.

A recent report states that pulp and paper mills expect to lay off 15,000 to 20,000 workers before the year 2000. Given the fact that this industry is one of the oldest and most important manufacturing sectors in Canada both in terms of its contribution to the national economy and in terms of jobs, what measures is the government taking to prevent these massive layoffs which would have a devastating impact in my province of New Brunswick and across Canada?

Hon. Ethel Blondin-Andrew (Secretary of State (Training and Youth)): Mr. Speaker, I share my hon. colleague's assessment of the critical importance of this industry which currently employs more than 72,000 Canadians and sustains the economy of countless rural communities across Canada.

The Minister of Human Resources Development, his cabinet colleagues and I are now in the process of reviewing this report which was commissioned by HRD. Certainly the report's key recommendation for more training is very consistent with the minister's strong commitment to building an active labour force.

Let me assure this House that we as a government will work in close collaboration with all partners to find innovative initiatives which will support and revitalize this industry and the affected communities.

* * *

CONSTABLE TODD BAYLIS

Miss Deborah Grey (Beaver River): Mr. Speaker, Constable Todd Baylis will be buried today.

On Monday the Minister of Human Resources Development said the man charged with his murder was never deported because the Canadian government had difficulty obtaining travel documents for him. It has since been reported that Clinton Gayle's travel documents were in order but the immigration department lost track of his file. Jamaica's consul-general said her office has no record of Canadian officials applying for such documents.

The minister promised an investigation immediately into this tragedy. This session is about to end. We need answers today. Can the minister of immigration tell us the results of this investigation today?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, once again we would like to express our deepest personal sympathies to the family of the police officer who was killed in the line of duty.

The minister was in Toronto on Monday and he shared the deep sense of grief felt by the community in these terrible circumstances. He asked me to assure the House that senior officials are in the process of gathering all the facts but that at this point it would be inappropriate to comment further.

Miss Deborah Grey (Beaver River): Mr. Speaker, it has been talked about these being rare cases. This is no comfort to that particular family. Last year, of 25,000 deportations ordered less than 9,000 were actually carried out. Of these more than 3,000 are criminal immigrants who cannot be located. It makes Canadians wonder how many Clinton Gayles there are out there.

(1450)

Yesterday immigration officials in Toronto refused to round up deportees without police backup. One immigration officer said "we're under-staffed, under-trained and under-equipped". It is obvious that there are fundamental flaws in the system.

Will the minister launch a full investigation into the entire deportation system and will he make a report public before we return in September in order to prevent more tragedies?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, on many occasions the minister of immigration has stated in this House and outside that he has absolutely no tolerance for people who abuse the system.

Amendments to the Immigration Act were brought in last week that deal with questions of criminality. Sometimes the figures as quoted by my hon. friend could be considered a little slewed, sometimes not. The difficulty here is that there are privacy considerations.

The minister has assured this House and I assure this House for him that an investigation is under way and that it will take all the proper measures necessary to ensure the safety of Canadians.

Oral Questions

[Translation]

(1455)

AIR TRANSPORTATION

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, my question is for the Minister of Transport.

For months, the Minister of Transport's replies to questions on air traffic have focused exclusively on the concept of safety. This week, he added bilingualism to his department's concerns in the management of air navigation in Canada. But the minister's bilingualism does not even seem to apply to all of Quebec.

Will the minister acknowledge, once and for all, that the portion of Quebec not served in French at this time could receive such service from the Quebec City terminal control unit, which the minister stubbornly wants to shut down next month?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, if someone is being stubborn in the House today, it is certainly not the Minister of Transport. We are trying to explain to our friends in the Bloc Québécois that we are committed to ensuring the safety of the air navigation system in Quebec and the rest of Canada.

We are doing our best, with the technology that is available to us, to provide this service with every means at our disposal. The hon. member knows full well, if he has done his homework, that the only situation where communication over Quebec territory is not provided in French is in the Magdalen Island region, for aircraft travelling at 29,000 feet.

We will continue our efforts to provide service over Quebec in the language of the pilot's choice. We will continue to do so with every means at our disposal, and I hope the hon. member does not want to create the impression, among people travelling in Canada, that situations exist in which safety is in any way compromised, because he certainly risks creating that impression by continuing to raise such questions.

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, does the minister not feel that his department's bilingualism policy should require that radar control services be available in both official languages throughout Canada, and particularly in provinces with large francophone communities, such as Ontario and New Brunswick?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, although I alluded to the Bloc Québécois's interest in bilingualism in previous questions, it is now clear that the issue being raised is not one of safety, or of protecting the interests of people travelling in Canada; it is just petty politics again. Stick to your knitting, and I will stick to mine!

Some hon. members: Oh, oh.

The Speaker: Order. Dear colleagues, I would ask you again—there are only a few minutes left—to address the Chair at all times. The hon. member for Calgary Centre.

* * *

[English]

GOODS AND SERVICES TAX

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I find it interesting that last night they loved each other and today the romance is over. What happened?

My question is for the Minister of Finance. Promising to scrap the GST was one of the major campaign strategies used by the Liberal Party during the last election to get elected. Canadians heard about their people and heard about their plan, but what about their promises?

With Parliament recessing for the summer, can the finance minister explain to all taxpayers without referring to the red book and without blaming the separatists, simply put, how his party can promise to kill a tax and then turn around at the same time and keep it under another name and still hold a straight face?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, what we committed to do was to bring in a tax that was less cumbersome administratively, was fairer to Canadians and was much more simple in terms of small and medium size businesses. That is exactly what we are going to do.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, the honeymoon for this government is over. It is time it be held accountable. The finance minister in opposition said he would abolish the GST. Today he stands up and defends the GST which he calls a replacement tax.

Will the finance minister depart from his usual double talk, like he just did which quite frankly is insulting to the Canadian taxpayer and admit that he, the Prime Minister, the Deputy Prime Minister and the Minister for International Trade will have to break their promise to abolish and kill a GST type tax?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, if anybody wants an example of double talk, it is the minority report of the Reform Party on the GST.

They said: "We don't have to bring in an alternative because we are going to eliminate the deficit within three years", and then given time after time in this House, including a prebudget debate, they have refused as we have asked for them to lay their plans on the table. The time has come for them to put up.

*Routine Proceedings***REHABILITATION PROGRAMS**

Mrs. Jane Stewart (Brant): Mr. Speaker, my question is for the Solicitor General.

Recently the Minister of Justice tabled amendments to the Young Offenders Act and a sentencing reform bill that clearly indicated that this government will support increased community based crime prevention and rehabilitation strategies.

I am concerned however about earlier decisions to change federal funding to our local partners, like the St. Leonard's Society, that may jeopardize their ability to help us meet this goal.

Would the Solicitor General please review these funding strategies and assure this House that our local partners will be able to maintain and enhance their community based custodial and non-custodial criminal rehabilitation programs?

(1500)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, like the hon. member I believe that organizations such as the St. Leonard's Society in places like Brantford and Windsor and many other parts of the country do very good work.

I want to assure the hon. member that Correctional Services Canada will be working with voluntary agencies across the country over the next number of months to review and refine funding structures as well as standards of service delivery. I would be happy to have her suggestions as to how this review can be carried out in the best interests of these organizations and the communities they serve.

* * *

[Translation]

INTERGOVERNMENTAL AFFAIRS

Mr. Jean Landry (Lotbinière): Mr. Speaker, the Liberal Party of Canada teamed up with the previous government on the late Charlottetown Accord. The Liberal government, for its part, has still not said whether it intends to reimburse Quebec for the \$26 million taxpayers paid twice for this referendum. That is probably the new type of harmonization this government carries out on the backs of the provinces.

Does the Minister of Intergovernmental Affairs not admit that, before getting into a new, hypothetical referendum scenario to put Quebec in its place again, the federal government should pay off its debts before anything else?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, I am pleased to reaffirm that the federal government takes its

responsibilities by trying to reconcile its views with those of the provinces every time it is required.

The Canadian debt problem must be solved in co-operation with the provinces, and we will continue our efforts to solve this problem with the kind of co-operation shown in the past.

* * *

[English]

GASOLINE PRICES

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, my question is for the Deputy Prime Minister.

Recently the people of Saskatchewan and other Canadians saw a dramatic and unexplained increase in the price of gasoline. Gasoline prices have gone up despite no tax increases, despite no increases in inflation, despite no increase in the price of crude year over year, and despite the fact that major oil companies announced substantial increases in profits.

Given the above, has your government referred my requests for an investigation into gasoline pricing—

The Speaker: Order. The hon. member would please put his question to the Chair.

Mr. Solomon: Mr. Speaker, my question through you to the Deputy Prime Minister, has the Government of Canada referred my request for an investigation into gasoline pricing to the bureau of competition policy? If so, when will it be reporting back to Canadians on this matter? Will you consider setting up an energy price review commission to review all gas price increases in all regions of Canada to protect Canadian consumers—

The Speaker: Order. The hon. Minister of Natural Resources.

Hon. Anne McLellan (Minister of Natural Resources): Mr. Speaker, let me say in response to the hon. member's first question that I have not referred that question to the bureau of competition. That is a question I will ask the Minister of Industry to take under advisement.

Let me say in response to the second question of the hon. member that the answer is simply no.

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 19 petitions.

Routine Proceedings

(1505)

CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, on behalf of the Secretary of State (Status of Women), I am happy to table two bilingual copies of the Canadian Advisory Council on the Status of Women's annual report for 1992-93.

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COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Justice and Legal Affairs.

Pursuant to Standing Order 108(2), your committee agreed to recommend that, with reference to the provisions of the Privacy Act governing use of personal information, the continuing disclosure to members of Parliament of the names and addresses of new citizens for the sole purpose of forwarding a one time congratulatory letter with the optional enclosure of information relating to the constituency, constitutes both a purpose in the public interest and a benefit to the individual new citizen, as envisaged by section 8(2)(m) of the Privacy Act and should be recognized as such by the Minister of Citizenship and Immigration.

Mr. Althouse: Mr. Speaker, on a point of order I seek leave to introduce a private member's bill.

The Acting Speaker (Mr. Kilger): In response to the hon. member for Mackenzie, his motions are on the Notice Paper. To proceed we would require unanimous consent. Is the member for Mackenzie making that request?

Mr. Althouse: Yes, Your Honour. I hear rumours we may not be here tomorrow. It has only been filed long enough for presentation tomorrow.

The Acting Speaker (Mr. Kilger): Members have heard the terms of the request. Is there unanimous consent?

Some hon. members: Agreed.

* * *

CANADIAN POTATO MARKETING ACT

Mr. Vic Althouse (Mackenzie) moved for leave to introduce Bill C-266, an act respecting the orderly marketing of potatoes.

He said: Mr. Speaker, this bill would have the effect of creating an agency to present a single desk selling organization

for the marketing of Canadian produced potatoes. It proposes a marketing commission for Canadian potatoes in order to permit producers to market through a single desk selling agency for the pricing, marketing and grading of potatoes.

(1510)

This process has been ongoing in Canada for more than 20 years. It has reached near fruition several times but has always been successfully blocked by the potato trade. I believe this process would avoid that. In fact it would permit producers to use single desk marketing.

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

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COMMITTEES OF THE HOUSE

CANADA'S DEFENCE POLICY

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I believe you will find unanimous consent that the following motion be adopted without debate. I move:

That notwithstanding its order of reference of Wednesday, February 23, 1994, the Special Joint Committee on Canada's Defence Policy be empowered to present its final report no later than October 31, 1994, to coincide with the date given the Special Joint Committee on Canada's Foreign Policy for its final report, and that a message be sent to the Senate to acquaint their honours therein.

The Acting Speaker (Mr. Kilger): Does the hon. parliamentary secretary have unanimous consent to move the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to.)

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I think you will find consent to adopt the motion for concurrence in the 28th report of the Standing Committee on Procedure and House Affairs which is standing in my name on the order paper, without debate at this time.

The report deals with the allocation of space to various committees and would take effect after today so it would be in effect in the autumn when committees resume their work.

The Acting Speaker (Mr. Kilger): Does the hon. parliamentary secretary have unanimous consent to move the motion?

Some hon. members: No.

Routine Proceedings

FINANCE

Mr. Jim Silye (Calgary Centre) Mr. Speaker, I move that the ninth report of the Standing Committee on Finance presented to the House on Monday, June 20, 1994 be concurred in.

Mr. Walker: Mr. Speaker, on a point of order. Could the Chair please clarify what the intent of this motion is.

The Acting Speaker (Mr. Kilger): It is that the ninth report of the Standing Committee on Finance presented to the House on June 20, 1994 be concurred in.

Mr. Silye: Mr. Speaker, with respect to the ninth report of the Standing Committee on Finance regarding replacing the GST and options for Canada, there are two issues I would like to address and I will also present the Reform Party's plan for tax reform.

The two issues I would like to address on this motion are the Liberal red book promise and the Liberal campaign election promise. There is a distinct difference between the two and this government is now attempting to confuse the Canadian public by putting the two together.

First, with respect to the red book campaign promise, the Liberals promised in that book, and it is there for everybody to read, to replace the GST with a simplified tax, more fair to small business and harmonized with the provinces.

(1515)

The government is going to call this the new national value added tax but it is nothing more than a Christmas wish list. The government has made no hard proposals, only various options for provinces to consider, for Canadians to consider. It shirks its responsibilities by coming out one way or another on anything that is within the proposal. All decisions are left for the provincial governments to make. It is trying to sell the perfect tax world. If the provinces do not go along they will be the ones blamed and the federal government will claim that it has done the proper thing based on a report from a committee.

I have two colleagues who will address this issue as well and I will leave it to them to point out our concerns with this new national value added tax. I predict in short order, probably before Christmas, it will be referred to as the very awful tax and Canadians will be encouraging the government not to implement it.

My two colleagues will also point out the basic fundamental flaws that value added taxes are unable to resolve.

I would like to go on to the second aspect of—

The Acting Speaker (Mr. Kilger): Order. On a point of order, the hon. member for Mississauga South.

Mr. Szabo: Mr. Speaker, I understood that the motion was to adopt a report that had been previously tabled in the House. It appears to me that we have debate on the substance of the

discussion within the committee and not the recommendations or the—

The Acting Speaker (Mr. Kilger): I do not believe that is a point of order. Respectfully, I say the member is engaging in debate.

Mr. Silye: Mr. Speaker, the second issue that I wish to address relates to the report that has been filed.

This report is an attempt to fulfil an election promise. It is very apropos that we talk about the Liberal Party's election promises and its behaviour between now when it is the government and when its members were in opposition. The things they said to the Canadian public to get here, to get themselves elected, especially in the province of Ontario where they stole every seat except one—

Some hon. members: Oh, oh.

Mr. Silye: I do not mean stole. I will take that comment back.—where they were elected in every seat but one, duly elected democratically.

Let me quote the current finance minister: "I would abolish the tax", August 1990; the Minister of International Trade: "I would tax prescription drugs and food", 1989. During the campaign the Prime Minister said that he would scrap the tax. As recently as February of this year and May 4, 1994, in answer to one of my questions about this proposed tax, he indicated that he hated the GST and that he would kill it.

With comments like that, now they have proposed a replacement for the GST which is virtually the same as the current GST. It is nothing more than the son of GST, a clone of the GST with a new name. They now expect the Canadian public to accept the fact that they have fulfilled an election promise, that they have not only replaced the tax but they got rid of the awful GST.

What we will have if they proceed with this particular proposal is a very awful tax which is the same as the GST. The Canadian public will feel betrayed.

Here is an interesting situation I put to the government and to the Canadian public that are listening. The Deputy Prime Minister said that if the Liberal Party did not abolish the GST she would resign. She said this at a CBC town hall. That is a very firm commitment. I know she always keeps her word. The question is, how do we determine if this new national value added tax abolishes the GST? If it is determined by the Canadian public that it does not abolish the GST, then I would recommend that the Deputy Prime Minister fulfil her promise and duly resign.

(1520)

It should be acknowledged and recognized that not only the Deputy Prime Minister but the Prime Minister, the Minister of Finance and the Minister of International Trade basically made an election promise they cannot keep. Rather than coming clean in the House and telling the Canadian public that "we can't keep

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clean," they are continually trying to proceed with this double talk in the hope that the Canadian public will not hold them accountable.

I beg to differ, Mr. Speaker. The honeymoon is over and I believe that the government over the summer and in the fall will be held accountable. I just wonder how they will vote on this concurrence motion that brings it closer to government policy.

As we know from the media, both the finance minister and the Prime Minister are trying to distance themselves from this report by the committee. They choose to ignore the recommendations of the committee because they know it is a political hot potato.

The leader of the Liberal Party made promises. He is a populist leader and the popular thing to do when you have made a mistake and are wrong is to admit it rather than continue the farce of this double talk and trying to fool the Canadian public.

I take a little bit of offence at the finance minister's answers to my question in question period today about how we are guilty of double talk and if he ever saw double talk it is the Reform minority report on the replacement of the GST which has been filed with the ninth report of the Standing Committee on Finance.

I will highlight some of the aspects that are in this minority report and I will leave it for the Canadian public to decide if this is double talk.

A majority finance committee report on the replacement of the GST cannot be fully endorsed by the Reform Party. While the replacement goes part way in responding to concerns presented to the committee, many of the concerns will only be addressed by future negotiations with the provinces. If the provinces do not agree to integration, if the provinces do not agree to harmonization, this proposal has been a waste of time and all those witnesses that came before the committee, all their constructive words of wisdom, will have been a waste of time.

The majority report recommendation merely tinkers with the current GST and does not live up to the Liberal promise to scrap it. We are of the view that value added taxes are incapable of responding to a significant portion of the concerns raised during the hearings.

The Reform Party recommends that spending cuts be the government's first priority. As well, the entire current system of personal, corporate and value added taxes should be replaced by a simple visible and proportional system of taxation that is similar to the single tax that one of their more intelligent members has recommended, that incorporates the principles of fairness and the lowest rate possible. In the interim, the party will support reforms to the current regime that move in this direction.

The Reform Party strategy for tax reform is as follows: We believe strongly that tax reform must include a number of

components. First, a review of spending in order to balance the budget in as short a term as possible with the least negative impact on the economy, and we see that as three years. We came here with that philosophy, we recommended that philosophy, but the finance minister said it is too draconian, that a 6 per cent cut in spending is too draconian. Now I read in the paper as of three or four weeks ago that he is now looking for 12 per cent cuts in next year's budget.

Second, we believe a simple visible system of taxation that incorporates the principles of fairness, simplicity and the lowest rate possible. The Reform Party opposes tax inclusive pricing, which is just hiding the tax. It is like the gasoline tax you pay at the pumps. None of us know what we pay but we know that governments have raised it and pretty soon the Canadian public once again falls out of touch with what taxes we are paying. This is the Liberal way of eventually raising taxes in years to come and that is why the British call this the very awful tax because that is what happened in that country.

This practice of hiding the tax violates the principle of open taxation which is essential to efficient functioning of open democracies. Disclosures of taxes paid on cash register receipts preserves an element of openness in taxation, but as the experience in Europe has shown, it eventually results in strongly diminished public awareness of the tax.

(1525)

Third, the Reform Party believes that tax reform must also mean tax relief. We believe that Canadians are concerned as much or more with the level of taxation as with the method of taxation. If we are asking the Canadian public to sacrifice, there must be a reward at the end of the day. That reward would be to eliminate and abolish the GST and we would do that once we get the budget balanced.

We agree with those who say that the introduction of the GST was the trigger that set off the underground economy, a general distrust of politicians and a belief that governments had lost control of their finances. The current government believes that this distaste can be dispelled through a change in the mechanism. It believes that if it scraps the GST or changes the name that the antagonism toward a new value added tax will go away.

That is my point today. If this is what the government believes will happen it will be sorely surprised and like that commercial on TV they slap their face while saying, "I needed that", that is what it is going to get.

Canadians will be wary of accepting changes to how they are taxed when the bottom line is that they must pay between 30 and 60 per cent of their income to carry a government that cannot control its spending. Not only will the government not control it, it will not even enter into serious dialogue to cut spending. They bring us into their offices, we show them \$9 billion to \$12 billion worth of cuts and they say: "We can't do that because it is philosophical". Anytime we make a point to criticize their philosophy they change the subject.

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Only when Canadians see meaningful expenditure reform and deficit reduction, only when Canadians believe that they will get value for their tax dollar, will they acquiesce on the tax burden required to provide these services.

The Reform Party's plan for tax reform recognizes that the current structure of taxation is not suited to carry us into the 21st century. Our plan recognizes the need not only for changes to the mechanism but the necessary changes to the level of taxation. Our plan recognizes that deficit reduction is an integral part of tax reform.

Our party's plan for tax reform would embark on a comprehensive plan for expenditure reform with a plan to eliminate the deficit in three years. Concurrently the Reform Party would work toward the implementation, as I said earlier, of a simple visible, proportional tax. Third, once it is clear that the deficit reduction strategy is leading to a balanced budget, the Reform Party would eliminate in stages the national value added tax, the GST tax, the son of GST, whatever, the great Liberal flip-flop, GST, VAT, NVAT, whatever, and implement a personal and corporate tax based on the principles of the proportional tax.

The Reform Party acknowledges that tax reform is a difficult process. We were somewhat apprehensive that the limited time frame given this committee would not allow adequate investigation of the type of sweeping reforms that are necessary to address all of the concerns with the GST. Our apprehension is verified in that many of the problems with the GST are not dealt with in this report—my colleagues will touch on that—being either put off to future negotiations or implicitly ignored.

The Reform Party sees the GST, now the national value added tax or equivalent, as a temporary tax which belongs in the provincial domain. As much as the tax will exist for a temporary period of time, the Reform Party supports the constructive changes that would streamline the operation and remove as many of the significant problems that exist until such a time as we can implement such wider tax reforms that provide both tax relief and tax simplification. This would include the elimination of a federal value added tax.

My final point in the few minutes left to me is the following. I am a rookie politician. I came here because I am fiscally responsible. I want to see government live within its means. Two and a half months ago I was named a member of the finance committee and the first job I had was to help evaluate a replacement for the GST on behalf of the government.

All members of the committee worked hard and constructively. They all listened to the witnesses and tried to see where the

group could stay together for the longest possible time to achieve a unanimous report in the best interests of all Canadians and all provinces. I can assure you, Mr. Speaker, all of us tried to do that.

I went back to the previous report that was filed when the Conservatives first brought in the GST. Many members opposite were on that committee; the Minister of Industry, the party whip and others sitting on the other side.

(1530)

Their recommendation was not to bring in a GST, no consumption tax. Two and a half years ago many members of that party gave that opinion. They gave it in committee. Some Liberals came to our committee. No GST—truly abolish the GST; replace it with a better system of taxation, replace it with nothing, replace it combined with some spending cuts and this party has ignored those recommendations. For two and a half years it has done nothing to work toward its goal of a simplified system of taxation, more equitable, more efficient.

As a rookie MP, I am very disappointed. If you stand up today and say something and you get your chance to do it two and a half years later and you do not do it, is power that corrupting?

The Acting Speaker (Mr. Kilger): Before proceeding to questions and comments, because there have been many requests from members on both sides of the House regarding petitions, I would like to remind members that if they so choose to table those petitions with the clerk, the net result of course is that they are not printed in *Hansard* but in fact do appear under the publication of *Votes and Proceedings*.

I leave that for your own judgment.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I thank the self-proclaimed rookie from Calgary Centre for this opportunity to discuss the GST report and to show by his motion support for what the majority of Liberals are trying to get toward.

What we are trying to do in this report is set the stage for some fundamental changes in the Canadian tax system and I would like to publicly thank my colleagues both on the government side and on the opposition side for their diligence.

There are only two members of the House of Commons committee on finance who have ever sat before on a House of Commons committee, the chairman and I, and it is a great tribute to the new members who brought such strength and wisdom and such diligence not only in Ottawa but across the country in the consideration of this very difficult piece of legislation.

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It is old ground that this government inherited a very difficult tax. This tax is a very difficult one for Canadians. In the last few years it was a focal point for tax unrest and government unrest and there would indeed be many members of this House who are here today because of that general public unrest with the previous government.

We have taken this issue. It is one of the first things that we did when the House sat. I can remember presenting on behalf of the government the motion to the House of Commons committee in the first week of business in which we stated quite clearly in the speech from the throne and in the committee on the first day that we were going to fulfil the commitment from the red book.

I would like to take this opportunity to express my thanks to those in the former opposition caucus of the Liberal Party and in the office of the Leader of the Official Opposition for their work in preparing the red book.

I used to be very involved with the policy process of the Liberal Party of Canada and it took us years to get people to agree that the best way to succeed in politics was to present a clear mandate, a clear choice to Canadians as to what we intended to do in the government.

This red book is the first serious effort of a major party to present a document of substance and I think the fact that we have used it as a benchmark in our actions is a tribute to the Prime Minister and to his cabinet.

Our inquiry was in response to the red book commitment of the government to have the finance committee "report on all options for alternatives to the current GST", and "replace the GST with a system that generates equivalent revenues, is fairer to consumers and to small business, and minimizes disruption to small business, and promotes federal-provincial fiscal co-operation and harmonization".

That motion was passed unanimously by that committee on the first day of its business and all three parties voted to begin its work.

It was with a great deal of spirit of co-operation that witnesses were called, were questioned, and I think that the committee soon began to recognize the complexity of the GST issue as part of the consumption tax strategy of the national government.

(1535)

It is not well known but the federal government entered the income tax field in 1917 in response to its fiscal prices during the first world war and the began to enter the consumption tax deal by various means in 1923.

Therefore the government has been involved with one form of consumption tax or another for the last 70 years. As one begins to reform these taxes, to restructure them and to build a new tax

that is completely different than the previous GST which has, I must admit, been a great frustration for almost every Canadian I met, this committee showed a great deal of maturity to go through each of these issues.

Many Canadians, as I speak today, have not had an opportunity to read the report, as it was just tabled 48 hours ago and is in the beginnings of being distributed. The committee broke its work up into five areas. It looked at the history of the tax and why it was such a difficult tax. It looked at the fact that the GST became an opportunity lost.

I, as a member of the opposition—

Mr. Silye: Mr. Speaker, on a point of order, I want to know under comments and questions if the member is leading to a question or whether he is making a comment.

The Acting Speaker (Mr. Kilger): Let me see if I can help the member. I asked for questions and comments at the conclusion of the intervention by the hon. member for Calgary Centre. Not seeing anyone seeking the floor, I then called for the resuming of debate and we are in the process of engaging in debate.

Mr. Walker: Mr. Speaker, it was the hon. member who first introduced the sports image of a rookie. I think you are just a rookie camp and looked down at the ball when some guy was coming toward you. Pay attention to the debate and all the subtleties from the Speaker.

The Acting Speaker (Mr. Kilger): I would like to have a bit of the member's time, if I may. I would like to remind all members that although we are leading to possibly a conclusion here some time this week, still direct all of your comments and interventions through the Chair.

Mr. Silye: Mr. Speaker, on a point of order, I feel the member should withdraw those comments. If he wants to play on a football field I will meet him any time. If he wants to have a war of words—

The Acting Speaker (Mr. Kilger): That is not a point of order. It will be a debate for another day and another place.

Mr. Walker: Mr. Speaker, I will take your words of caution to heart. I apologize if I have in any way disturbed the Chair.

Continuing the discussion on the GST and the work done by the committee, the committee came to the conclusion that if we were going to be serious about reform of the GST it is important to put into the public domain some of the major options available.

Those options included different proposals brought forward from the public. Some witnesses, for example, wish to see the federal government move away from consumption taxes altogether. Other people wish to see us revamp the system and go with a BTT, a business transfer tax. Other people want to see us

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amend the income tax provision in our legislation and begin to move more toward a wider review of these questions.

In the end the committee decided there were a number of changes that could be made in the GST which are absolutely fundamental to the improvement of it. The committee showed a great deal of sensitivity to the small business community.

Small business people have come to us on several occasions both in the past and in this government and indicated the high cost of collecting the tax. Some of them estimate the overhead was 16 per cent of the revenues. For the large corporations which have other systems of managing the tax collection, their cost is down around 2 per cent but particularly for very small firms 16 per cent represents a great deal of time.

The revisions made to simplify the tax collection for corporations with sales in the neighbourhood of \$200,000 and some choices between \$200,000 and \$500,000 per year are a great step forward. I am sure other members can think of businesses in their own constituency which that takes away a tremendous antagonism that has evolved between the small business person and the government.

(1540)

The other relationship we wish to deal with which has caused a great deal of antagonism, which small business people and individual consumers told us, is that seeing that tax is a real antagonism because the purchase price is deceiving. They want to see the total cost. In Manitoba that adds on another 14 per cent and in Ontario another 15 per cent. That is a tremendous burden for people to carry.

If you are a busy person and you have children with you when you are shopping and you think you need \$10, you end up needing \$11.50. Every time you go into a store it is another \$1 or \$2 or \$3 more. That is a real aggravation. Most families have a great deal of difficulty making ends meet with the high tax burden on the income tax side and the high cost of bringing up children. This is another aggravation they wish to see us remove.

We have suggested ways the tax can be integrated into the price structure shown in stores. There are provincial issues involved here that we will have to return to and we will be very happy to raise that with provincial governments.

If we can have an integrated price with the value added tax and indicate on the final bill the percentage that is included as tax we think consumers will be able to plan out their expenditures and see exactly what the total of their bill is going to be. In a colloquial sense it will end the surprises at the till for consumers.

This committee also saw as a major problem integration and harmonization with the provinces. To anybody serious about tax reform in this country, the work of the committee has to be

endorsed as perhaps the most fundamental step being taken in the last decade.

The committee has said to the government and to the House that if you want to have fundamental change in this country you must seek out the support of the provinces to harmonize and to integrate the sales tax system, the value added tax or the consumption tax system.

I cannot agree more that this is the most fundamental problem. We are perhaps the only industrial country that has ten systems, and if you include the absence in one case, eleven different variations of a sales tax known by a series of different names. For those who are trying to do business with us or travel here it is incomprehensible that a country with only 28 million people cannot even get its consumption taxes right.

We should thank the committee and particularly thank the majority who have seen this and say let us go to the provinces as quickly as possible and open up the debate with the provinces. There are many issues we can discuss.

Fortunately the regularly scheduled meeting between the federal Minister of Finance and the provincial ministers of finance takes place next week in Vancouver. This fresh report that has been widely quoted in the media will give the ministers an opportunity to set an agenda of co-operation. I know that our Minister of Finance is looking forward with a great deal of enthusiasm to the meeting.

I am sure provincial ministers also seek an opportunity for a more harmonized and integrated consumption tax in this country. Of course there are number of issues and a number of problems dealing with collection and dealing with distribution of the revenue.

In politics you can see situations, as does the opposition party, as problems or, as on the government side, as opportunities. We are very proud that we went into this very difficult situation in February, saw the problems and have sought now to lay out a very positive agenda.

In many ways the Official Opposition also understands that this has to be a positive solution. It is seeking out ways to improve the consumption tax system in this country. It has a particular strategy which I do not think will work because it would weaken some of the provinces far too greatly. However, that is a matter for discussion. It knows the present system is not working.

There has been a great deal of discussion in the media about extending the base. This committee was willing to review the options available to the government. One of the most controversial areas of discussion is what we include if we broaden the base. One of the problems facing a government is that when we introduce a new tax there are always barriers, whether we include this or that.

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(1545)

One area of confusion and controversy since the introduction of the GST has been the area of food. There is a price that is paid for it if it is excluded. By excluding fundamentals such as food and pharmaceutical products the previous government was forced to set a rate of 7 per cent which became a highly visible and aggravating tax. If we broaden it and include these items as taxable we take away a lot of the confusion over exemptions. We could possibly lower the rate and at the same time include a broader base.

I do not have to tell anyone in the House that it is a very controversial discussion. However I should like to say for the record that the committee does not lead the discussion of broadening the base with a conclusion or a recommendation. It simply says to Canadians that there is a possible solution to the high rate and that is to broaden the base. If through members of Parliament and the discussions this summer and if through the provincial governments and their representatives Canadians continue to express their opinion that food should be exempt, the committee by no means would lay down any contrary recommendation.

At page 48 it says: "The committee's aim is to flag the difficult questions that must be answered, articulate the various views we heard during hearings, and pass on to the government and to citizens the committee's assessment of how best to proceed".

At page 50 it concludes the section by saying: "Whatever course the governments involved eventually takes, comprehensive based or exemptions for necessities, we recommend that the aggregate tax burden borne by low income Canadians under the national VAT not be larger than the one they bear today under the culmination of provincial sales taxes and the GST".

At the heart of Liberal principles is the principle of fairness. No taxes will be changed that increase the burden for working families, low income families, individuals and seniors. It is fundamental to the way we approach taxes as compared to the Reform Party and as compared to the previous government. We are not about to make any changes in the system—and the committee was very clear on it—that in any way affect the well-being of working Canadians. That view is shared not only by the committee but by every member of my caucus.

Perhaps in the quickness with which the member for Calgary Centre reviewed the position it was inadvertently downplayed to the extent to which the Reform Party agrees with our approach. At page 117 it says: "We agree with the report that the current structure leaves much to be desired and that changes at this time are necessary. The majority report does deal with some of the concerns raised in the lengthy hearings that the committee undertook". People were listening. It is very important to state that. It goes on to say: "Many concerns remained unresolved

until negotiations between federal and provincial governments are concluded".

Therefore the motion in front of the House is ahead of itself. How can the House concur in the report before we begin the essential negotiations with provincial governments? We should wait and we should be able to proceed when we hear what the provinces have to say. As the hon. minister responsible for housing who is listening attentively to the debate knows, the way to get good housing policy is to deal directly with the provinces. The way to get good tax policy is also to deal directly with the provinces and not to get ahead of ourselves. We thank the Reform Party for recognizing that federal-provincial negotiations are at the core of resolving the tax dilemma.

The committee's conclusion at page 122 says: "The Reform Party commends the government in attempting to meet the concerns raised during the hearings in the areas of business compliance costs, harmonization and the charity section". There we go again. In the major issue of harmonization again the opposition realizes that the majority very much had its eye on the ball and very much was concerned about reforming the tax.

(1550)

In the course of tax policy and what we have seen since we formed the government, there have been great strides made in getting Canadians to talk openly about issues central to their own well-being. The GST represents not only a consumption tax in itself. It represents for many Canadians all that has been wrong with the Canadian tax system in the way it was imposed.

The government will take its time and will do the right thing. It will follow up on its red book commitments and will produce for Canadians a tax that is fundamentally different from the current tax: one that works and one that is responsive to the fiscal framework and the fiscal well-being of the national government. This means in turn the livelihood and the defence of the livelihood of hundreds of thousands of Canadians and their health, social well-being and education.

The government will not put at risk the physical health of the national government by being in a hurry. We will produce a tax which is more successful, more fruitful and more reliable than the one currently imposed, the GST. We look forward to discussions with the provinces.

[Translation]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I have a two-part question for the parliamentary secretary.

I heard him say that the committee's Liberal majority report draws no conclusions and makes no recommendations on whether the tax base should be broadened to include food, pharmaceutical products and the like. However, the same report says that a simplified system will be adopted for small businesses so that they will only have to report once a year, simply by subtracting purchases from total sales.

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Clearly, if the system is to be simplified and if the tax is going to be called a business transfer tax, then everything will have to be taxed. That is the hypothesis behind this model. Can the parliamentary secretary tell me if the recommendation pertaining to small businesses would still allow them both to preserve their current accounting methods and to report as proposed in the Liberal committee report or will they once again have to adopt a different accounting method, one which would take into consideration taxable and tax-free purchases as well as taxable and tax-free sales? That is the first question I would like him to answer. If there continues to be exceptions, then the system will not work. Therefore, to say that the report draws no conclusions and makes no recommendations on whether to broaden the tax base to food is to lack courage. The hypotheses underlying the proposed simplification of the business transfer tax would clearly indicate quite another matter.

The second part of my question has to do with the parliamentary secretary's comment that low and middle-income earners would be compensated, regardless of the new system implemented. How does he explain the fact that families with two young children will receive the same credit, regardless of whether their children are 12 and 14 years old, or 14 and 7 years old years, or whether in one case, a child is sick and needs medication? How can he guarantee that both families will have the same consumption patterns? How can he be certain of the amount these two families pay in taxes? How can he say this credit system is effective? These are questions which I would like the parliamentary secretary to answer.

[English]

Mr. Walker: Mr. Speaker, I was happy to hear the question from the hon. member. A series of hypothetical questions is just that. The report was very careful not to get into hypothetical situations. Dealing with the tax field, my own experience is that as soon as people begin to speculate on hypothetical situations they get themselves into greater and greater difficulty.

The majority on the committee has stated its position and I have reiterated the government's position that no taxes will be introduced that increase the burden on low income families. I state categorically that the intention of the government is and will continue to be to re-establish fairness in the tax system for low income families and individuals. No steps will be taken that in any way, shape or form breaches the commitment we are making.

(1555)

On the question of making sure that small businesses find it easier to report the tax, the committee's report has been very thorough in its examinations of options. It will make sure that small businesses feel more comfortable with the tax. The small

business community has expressed through its leadership a real determination to work with us and to simplify it. In fact it is happy with the recommendations. We look forward to the actual design assistance to make it easier for small businesses.

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, everybody in Canada knows that the GST was purely the transfer of a tax burden from corporations to ordinary Canadians. As New Democrats we oppose that sort of transfer of burden from one sector to another.

I would like to ask the member a question pertaining to whether or not the committee reviewed any other alternatives besides just a new name for the GST. For example, there are a number of family trusts outstanding. The total value is about \$70 billion that goes untaxed. This is a tax free situation provided to very wealthy families. It was a tax free situation afforded to those people by the former Liberal government for 20 years, extended for 20 more years by the Conservative government, and this government has not done anything with it.

I am wondering whether the committee has reviewed that matter and in particular is looking at some of the transfer of profits from corporations operating in Canada to other countries. The example I use is Imperial Oil. Last year it declared a dividend of \$580 million. Of course 70 per cent of its shareholders is the Exxon corporation of the U.S.A and \$405 million left Canada through this nice little tricky tax free situation to go into the United States.

We lost a portion of what we believe should rightfully stay here either to work in our economy or contribute to our taxation system. I would like to know whether the government is looking at the situation or whether it considered looking at the approximate 63,000 profitable corporations in Canada with substantial profits that were not taxed a dime on their profits.

I am wondering if the committee considered some of these very important tax sources as opposed to once again going to low income people, middle income people and others who have very difficult financial circumstances to deal with right now with their families and getting along in Canada.

Mr. Walker: Mr. Speaker, I congratulate the hon. member on summarizing so many misconceptions into a very short question.

To start with, as he knows there were 40 meetings. Just to reiterate, in the structure of the House of Commons committees any member of the House of Commons may join in the proceedings. Many of these issues were raised. When the member gets a chance to read through the hearings over the summer holidays I am sure he will know that members of the other three parties asked some excellent questions of people who wished us to change the tax structure more broadly.

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Dealing with some of the specific misconceptions, the government has addressed the family trust issue. A paper was released earlier this month by the Department of Finance. It was presented to the House of Commons Standing Committee on Finance last week. The chair was asked to arrange with the opposition parties to set out hearings or to suggest ways of proceeding.

I am sure the critic of the Bloc Québécois would be interested in family trusts. He will know the committee report is now available. We will seek our direction from the other members of the committee and the steering committee on how to proceed with an analysis of it.

On the question of corporate taxes and the contributions of corporations to the Canadian tax base, the member knows that in the February 22 budget presented by the Minister of Finance we made more progress in closing tax loopholes for corporations than any other government has done. We are very proud of what we have done.

Lastly, we anticipate an increase in profits from the corporate sector this year. I do not want to get ahead of statistics to be released by the government over the course of the year, but the hon. member will be happy to know that corporations will be pulling their fair share as the profits from their businesses go up in the current calendar year.

(1600)

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I intend to share my allotted time with the hon. member for Témiscamingue.

I welcome this opportunity to discuss the alternative to the existing Goods and Services Tax proposed by the Liberal Party of Canada. After spending \$750,000 to find an alternative to the Goods and Services Tax, especially to get rid of the tax, as the Prime Minister has promised repeatedly, it is now clear that the Liberal government has failed miserably in the attempt. There are a number of reasons for this, but I will give you one fundamental reason and five more specific reasons.

First of all, for the price of \$750,000, they took four quarters and gave us a loonie. It is disgraceful to use public funds to propose merely cosmetic changes. These changes will not abolish the GST, as the present Prime Minister promised to do and as all members of the Liberal Party promised to do as well, and they were very convincing as they rent a van full of garments. No, these proposals were just for a new GST which, according to the best scenario, will be similar to the old one and in the worst scenario will be more complex than the Goods and Services Tax.

In the end, and this is a monumental farce, after spending \$750,000, Quebec and Canadian consumers will still be paying the Goods and Services Tax every time they make a purchase.

We object to this monumental farce for five basic reasons. First, in addition to the general argument I just made, the Liberal majority report proposes a GST alternative which is not an alternative. It is a hidden tax, and the report suggests the possibility of hypocritically and craftily making the new goods and services tax invisible as part of the price.

When they say we will be able to see the amount of the tax on the cash receipt, that is not quite true. The Liberal majority does not say so. It was explained during many discussions in committee that one could indicate at the bottom of the receipt that the total price paid by Quebec and Canadian consumers includes a goods and services tax, a despicable tax imposed by the Liberal government, a tax which may be 7, 10 or 12 per cent or whatever.

The Liberal majority's report opens the door to all kinds of insidious increases without the knowledge of Quebec and Canadian consumers.

The second basic reason why the Bloc Québécois vehemently and strenuously objects to this Liberal majority report is that it could lead to a broadening of the tax base with a proposal to tax food, health care and drugs. When I heard the secretary of state say earlier that this was out of the question, and that this would have to be negotiated with the provinces, the Liberal government has always been planning to tax these three basic items, ever since the Finance Committee started work, and members on the committee would agree with that.

Subsequently, it was the Liberal majority that referred to taxing food, health care and drugs as a very realistic proposal. As my colleague from Témiscamingue indicated in his question, with the first level of taxation referred to earlier, that is to say the business transfer tax imposed on small business, it is practically impossible to exclude such items from the new taxation system laid out in the Liberal majority report.

I was listening to the secretary of state express earlier a great deal of compassion for the most disadvantaged members of our society. But this is the same man who fought to maintain the proposed cuts to the unemployment insurance program contained in the last Liberal budget. He fought to maintain this budget measure, using arguments that were fallacious and often demagogic.

(1605)

I will tell him that there is no mention in this Liberal majority report of indexing the tax credit, the refund low income families receive. There is nothing about such an indexation while the Conservatives—whom the people across the way roundly criticized—at least planned to index the tax credit refund on the old GST. These people have no sensitivity, no compassion for the

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disadvantaged and you can be sure that their proposal is not intended to help them.

Third, the alternative to the GST proposed in the report from the Liberal majority at the finance committee is an unprecedented centralizing attack on provincial areas of responsibility. This idea of negotiating with the provinces a uniform tax base for goods and services from coast to coast and of bringing this broader tax base to include food, drugs and health care within the scope of an act of Parliament would prevent provincial governments, and the Quebec government in particular, from adjusting tax rates and base to meet their economic objectives as well as their priorities respecting development, economic growth and assistance to any industry that may need it.

Let me recall certain measures the Quebec government has taken in the past to exempt the furniture industry and the clothing industry, child clothing in particular. With this Liberal majority proposal, if the government of Quebec or of any other province for that matter wanted to support these industries and help them pick up or help the less fortunate consumers go through hard times, it could not make the necessary adjustments to help the most disadvantaged members of our society. And that is totally unacceptable!

The fourth reason why the Bloc Québécois disagrees with the insidious and pernicious report of the Liberal majority is that not only do they give us four quarters for a dollar, as I mentioned, but they make the consumption tax system incredibly complex by adding a small business transfer tax to a GST like the one we now have.

The Bloc Québécois thinks that this new business transfer tax or BTT for short will be a real nightmare for businesses to administer—I will let my colleague from Témiscamingue who studied business administration explain these complexities to you—as a result of this second level of taxation introduced in the Liberal proposal.

We are told that when they started, the Liberals wanted to abolish the GST and replace it with a simpler system. In fact, they have just made the consumption tax system more complicated by introducing this second level of taxation called the business transfer tax.

The fifth fundamental reason why we are strongly opposed to this proposal, this systematic attempt to disguise the current GST, is that they cannot see the forest for the trees. Since the Standing Committee on Finance started its hearings on the GST, the Bloc Québécois has been raising the need to review the whole Canadian tax system. We were told, as I heard the Prime Minister and the Minister of Finance say last week, that in the past they tried to carry out such a review and failed.

But in the past Canada was not facing the severe difficulties it is now encountering. There was no \$511 billion debt or record deficit either. I would tell you that it is the Liberals' second record because the first Liberal administration also set an annual deficit record for the federal government. The then Minister of Finance, who is now the Prime Minister, can claim credit for that record.

I would tell you that they tried without success to change the current GST, to abolish it and to replace it with a simpler system.

(1610)

Not only have they failed in their attempt but they have made things even more difficult, not only for small and medium-sized businesses but also for consumers, who will not understand this system.

As soon as it was published, the report was destined to be shelved or else to be thrown out. Even the Prime Minister said yesterday that he did not feel bound by this report. He even said that he was dissociating himself from this report and I understand why. Several premiers of the larger provinces have spoken against this Liberal proposal.

So I look at all this and I also look at the Bloc Québécois's proposal, if you will allow me to state it. The Bloc Québécois has proposed a viable option, one that has a future and will not force us to negotiate with the provinces for two years and fail, as the Conservatives failed before the Liberals. We cannot harmonize in the way presented here, with unprecedented centralization of a consumption tax system. So the Bloc Québécois's proposal is first to abolish the GST and keep the Prime Minister's promise and to give this field of taxation to the provinces, with an adjustment in federal spending, of course.

Thank you, Mr. Speaker, and I look forward to receiving questions.

[English]

Mr. Barry Campbell (St. Paul's): Mr. Speaker, I wish to make a very short comment.

I guess the hon. member opposite does not much like the report. That is a shame because he spent tremendous time and enormous effort listening to Canadians across the country express their views about the current GST and recommend alternatives.

All of those views are expressed in the report and reflected. It is a shame that the hon. member and the loyal opposition did not have the courage to present alternatives in a written form. At least the Reform members had the courage to express in writing what they agreed with and what they did not agree with.

While the Bloc agreed to the mandate to look at alternatives to the current GST and supported that mandate of the committee

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and put in all the work, at the end of the day what does it do? It says: "Well, it is not good enough. Why not give it to the provinces and let us have a provincial tax grab?"

There has been a complete flip flop. During the election campaign the Bloc members liked the GST. Now they do not like the GST and they want more provincial taxes. Indeed, they have engaged in what I would express as the big lie, that the report recommends a tax on food and pharmaceuticals. There is no such recommendation on any one of the over 100 pages in the report, no such recommendation at all.

I make them an offer that one of our colleagues south of the border once made to the Republican Party: "If they will stop telling lies about us we will stop telling the truth about them".

[*Translation*]

Mr. Loubier: Mr. Speaker, I will very briefly answer the hon. member; what he said borders on the unparliamentary.

I would ask my colleague, one of the vice-chairmen of the finance committee, to read our minority report. We tabled a minority report, with our own resources. We had it translated into English at our own expense and we tabled it. We tabled our minority report in both official languages for the press conference two days ago. You were not able to provide us with this translation on time to analyse the preliminary copy of the report.

So I think that our colleague should not boast that he has not read our minority report, when it was in both official languages and translated by the Bloc Québécois, because the government party did not deign to accommodate us, except if we appended our minority report to the committee's report. We exercised our free choice and chose to table it separately. I think that we made a good decision.

I would say, Mr. Speaker, that our alternative, if the hon. member would read our report, if he would be so gracious as to read our report as we have read the report of the Liberal majority several times, in English and in French, if he would read the minority report, he would see that the Bloc Québécois is keeping the Prime Minister's promise to abolish the GST and transfer this field of taxation to the provinces.

(1615)

We thus avoid two things: We avoid a sixth failure in constitutional negotiations between the federal government and the provinces. After the health forum, interprovincial trade and so on, we can add another failure because the Conservatives tried for two years to negotiate harmonization with the provinces, as the majority report proposes. So we avoid those frictions. We avoid three things. The second thing we avoid is continued duplication and overlap.

We give the government an opportunity to withdraw from certain spending fields in order to compensate for the transfer of the GST to the provinces. Thirdly, we are helping to clean up the

mess that the government's finances are in. The Liberal members should thank us for the work we did, seriously, because it is the only alternative left at this time, after the many statements from provincial premiers and especially from great experts, and I am thinking of Yvon Cyrenne of Martin, Chabot, Paré & Associates, for example—

The Acting Speaker (Mr. Kilger): Order! I am sorry to have to interrupt the hon. member. Resuming debate, the hon. member for Témiscamingue.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, it is now my turn to speak on this infamous report of the Liberal finance committee on the GST. I have worked very hard on this matter from the very beginning, along with my colleagues from Saint-Hyacinthe and Charlevoix.

When we first saw the draft report, we were extremely disappointed to see the direction in which the Liberals were heading after all the public hearings, because no one had suggested as an alternative that an integrated tax be introduced. Just try to explain to people now contending with two different taxation systems that the existing GST is going to be replaced by a relatively similar mechanism!

Government members roundly criticized this tax when it was first introduced and continued to do so during the election campaign. The Prime Minister said it was a bad tax, and so did the Deputy Prime Minister who even said she would resign if the GST was not abolished. The Minister of Foreign Affairs and all the Liberal members said it was a bad tax, and now they are asking the provinces to do away with their own tax and replace it with the GST. This is scandalous, Mr. Speaker. After criticizing this as a bad measure, now the government wants to extend it to everything. This makes no sense.

Furthermore, the government wants to broaden the tax base so that the tax will now apply to food, pharmaceutical products and health care. In addition to using strong-arm tactics where the provinces are concerned, the government boasts of wanting to simplify the system for small businesses. I want to touch on this point a little further because up until now, this issue has gone relatively unnoticed. Once again, the government is merely throwing up a smokescreen and I will explain why.

The report says that businesses with earnings of \$200,000 or less will be able to use the business transfer tax system. However, the government does not want to call this tax by its real name, preferring instead to call it a VAT. This tax is nothing but a GST hybrid, an added value tax, if you will. This must be clearly understood. Businesses with earnings of \$200,000 or less are being told: Now all you have to do is take the sales total, subtract from it your purchases and file an annual report". What they are not being told, however, what the report does not have the courage to say, is that throughout the year, until they file their report, businesses will have to use an accounting method which takes into consideration taxable and tax-free purchases,

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as well as taxable and tax-free sales. This is exactly what they must now do with the current GST.

What will happen? Until now, small businesses could use the so-called quick method to calculate the amount of GST. So how will the new system be different? Most likely, it will be worse than the quick method which was not used very much. The government probably should have pushed the quick method more and not changed anything in this regard. But it did not, Mr. Speaker.

The report contends that the new system will be simpler for 80 to 90 per cent of small and medium-sized businesses. Lest we forget, businesses with earnings of \$500,000 and over account for 94 per cent of all sales in Canada. What does this represent for Conservatives, in terms of change? Ninety-four per cent of sales will still be subject to the same GST. However, small businesses which account for the remaining 6 per cent of sales will have to contend with a more complicated system.

When they get wind of this proposal, they are going to react very strongly. Let me give you four cases where the new system will prove to be more complicated. To digress, the report is rather non-committal when it says that maybe the door should be left open even for businesses with earnings of between \$200,000 and \$500,000. On this point, they changed their minds in mid course. The final version says that this could perhaps be an option for businesses with earnings of between \$220,000 and \$500,000.

(1620)

Think of it, Mr. Speaker. A firm could sell some products that are taxed and others that are not. But whether the report tells us that they do or do not want to tax food, there will still be exceptions.

If there are any exceptions, how will firms with sales of \$200,000 or less be able to have a simplified system if they sell different types of products? What happens if these firms expand? What will happen to a firm with sales of \$400,000 that hopes to achieve growth, which is a universal goal in business? When that firm's sales top the \$500,000 mark, it will be forced to change its accounting and taxation systems. This is a terrible outrage!

Companies will have to decide which system is most profitable for them. They will spend their time trying to decide between the business transfer tax and the goods and services tax. And they will see that these are relatively similar systems, so they will probably prefer to keep the GST. Many firms will prefer to stick with the GST. If the threshold is set at \$200,000, it is even worse. What change? Most firms with projected growth will not change to another system. Firms engaged in interpro-

vincial trade—the provinces will still have differing rates, and it should not be assumed that there will be a uniform rate across Canada—will have to take sales and purchases made in other provinces into consideration in their accounting.

This translates into still more new accounting for these firms. The claim is that now these small firms could, in their annual income tax returns, manage to provide the desired statements. But they will not be able to; they will have to continue keeping daily accounting records. Furthermore, they cannot claim the tax credit for purchases from non-registrants—that is, people or businesses with sales of \$30,000 or less who are not obliged to register for the GST. So special accounting records will have to be kept for that purpose as well.

And this is the simplified system for small businesses? Is this it? It is a dog's breakfast. There is no way in the world that this will be simpler. People are being taken for something they are not when they are told things like this.

There are a number of things I want to say in the few minutes left to me. Easier to manage says the report in one of its objectives. Easier for whom? For the government? Do you think that the present staff at Revenue Canada will be able to handle the introduction of this new business transfer tax, a tax of which many small businesses will probably never avail themselves. They will nonetheless investigate the possibility. They will need information. People will have to be hired to provide this information. And after that, the tax will have to be administered.

Since the GST will still be widely used, people will continue to be needed to run that system. Administration costs, which are already high—at least \$600 million—are likely to increase. What a mess! What a waste! That is what the Liberal GST is about. Is this the kind of improvement the Liberals have in mind? The public will never go for that, never!

It will not be easier or simpler for businesses either. Someone mentioned the tax credit for low-income individuals earlier. This aspect has been debated vigorously here as well as elsewhere. Huge petitions were brought in, petitions that said the tax credit had to be indexed, that it was wrong to impose a regressive tax. Now, in this report, they do not even have the courage to state that, if a value added tax must be maintained, tax credits for low-income individuals will have to be indexed yearly.

The rate of inflation will not remain as low as it is forever. There will be years when it will be higher. If the economy grows, so will inflation. But the credits will remain the same. In time, the gap will grow. Also, this tax is a hidden tax. We are told that it will not be, that the amount will be shown on bills. That is not true, not at all, because bills could simply mention that the total amount includes a tax of such and such a percentage.

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Can you imagine small businesses figuring out their purchase price and the tax paid? They are going to have to take the total amount, take out their calculators, divide all those figures, reprogram their computers—What a nightmare! It is a real nightmare. That is the Liberal GST? That is the improvement the Liberals had promised? Are they true to their commitment? The public will not be fooled. That is not what they had promised. They are in breach of an election promise, and this is a major breach too!

We are proposing an alternative. We are offering them an alternative. The world must have gone crazy, when the opposition offers ways to fulfil a government commitment. We told them, “If you want to abolish the GST, there is only one solution: to abolish it and leave this area of taxation to the provinces. Of course, there will be less revenue, but you can then tinker with the transfers to the provinces, especially in areas where there is a lot of duplication”. Reducing overlap is also one of the goals stated in the red book. You could achieve several goals at the same time.

You are signalling to me that I do not have much time left, Mr. Speaker, so I will conclude by quoting from an article by Michel Vastel, a renowned Parliament Hill journalist, that appeared in this morning’s newspaper: “Another solution mentioned by the committee”—which did not look at it because it was apparently not its mandate—“and recommended by the Bloc is to abolish the GST and make up for the shortfall by abolishing transfers to the provinces”.

(1625)

He goes on to say, “They would then eliminate at once a lot of duplication and a bunch of public servants. All this is obviously too simple and dangerous for a federal government that wants to raise its profile”. He could have added, “that craves absolute power and control and constantly tries to confront the provinces”. That is why the Premier of Ontario compares them to a gorilla. I would be ashamed to be compared to a gorilla, and by a Premier no less! But he is right. The people of Ontario should listen to their Premier because he is handling this very well.

I will conclude by saying that they are renegeing on their election commitment and that the people of Quebec and Canada will never let them get away with it.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): After his eloquent speech in which he criticized the Liberal majority report, a disgraceful report that sets out to mislead Quebecers and Canadians, I want to stress the outstanding work done by the hon. member for Témiscamingue, and also by the hon. member for Charlevoix, on the finance committee and in developing our own position, which is the only valid one at the present time, the only possible basis for negotiating with the provinces, since the biggest provinces have rejected the Liberal majority report out of hand.

Although the hon. member for Témiscamingue mentioned this briefly, it made me wonder when the parliamentary secretary said earlier that we were the only country in the world with ten different tax systems, perhaps I may remind him that the Liberal majority’s proposal would introduce not only a GST but also a business transfer tax. We already have two tax systems, which, multiplied by ten different rates, ten rates that are different from one province to the next, will make us the only country in the world with a Liberal majority that proposes having twenty different tax systems instead of ten. So much for improvements.

Again, I wish to commend my colleagues on their excellent work in developing the position taken by the Bloc Québécois.

Mr. Brien: Mr. Speaker, I want to thank the hon. member for Saint-Hyacinthe—Bagot for his comments. I would also like to stress the excellent spirit of co-operation we had here in the Bloc Québécois when we were working on this question and also with a number of members on the committee who belong to the Liberal Party and who disagree with their party’s position but cannot do so openly because of the party line system, because they are gagged. I am also aware that my Reform Party colleagues co-operated splendidly during the entire process, and I want to thank them for doing so.

Where my colleague referred to complex systems, he drew comparisons with the situation at the international level. In fact, there is not a single country in the world that has this kind of hybrid tax, with one system for one kind of business and another system for another business. I attended all the hearings and many meetings and I travelled all through the provinces, but not a single person suggested alternatives.

Why bother holding public hearings that cost a fortune and waste a lot of taxpayers’ money, if in the end, we do not listen to what is said. After only a few days, the committee was doing such a poor job that the Prime Minister had to tell officials at the Department of Finance who had spent a lot of time on the report that it was going to be put on the backburner. That is the kind of thing that is so discouraging to the public and makes people so sceptical. I am sure that the way the Liberals handled this question will not do them any good.

[English]

Mr. Hermanson: On a point of order, Mr. Speaker. On behalf of the caucus co-ordinator I would like to inform the House that according to Standing Order 43(2) we will be dividing our time.

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, it gives me great pleasure to share with this House the reasons why the Reform Party opposed the majority report on the GST.

Before I go into the substance I would like to go on record as congratulating the chairman of that committee, the hon. member for Willowdale, for his excellent stewardship and the great learning experience that he allowed all of us to have. I think he treated the proceedings most fairly and really was a master at dealing with the many witnesses we saw.

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(1630)

I started off this hearing process fully supporting the GST. I had lectured about it in classes and thought I fully understood the principles. Well, I understood the principles but what I had failed to understand were the difficulties.

At the beginning we had many witnesses who said: "Let us keep the tax. We spent several billion dollars installing it. It would be very silly now to throw away this investment and start the learning process, the investment in cash registers and so on all over again".

We also heard the very eloquent and polished representatives of the large industry groups located here in Ottawa, all of whom respected: "Keep the GST. There is no alternative", but they said "broaden the base, harmonize the tax with the provinces and do a few other things that will make it cheaper to run".

I thought for a long time that this was the alternative, the only sensible thing for the committee and for the country. However, I had an experience which I was very sceptical about. I travelled with the committee to as many of the capitals that I could here in our great country. There I found that the information conveyed to me by the people who one might say are on the firing line with respect to the administration and use of the tax were telling us stories that somehow were omitted in the more formal hearings that were dominated by the polished representatives of the big industrial organizations.

I changed my mind and came out with the belief that the tax cannot be rescued, that the tax is a bad tax. It is a nightmare and even with all the changes that have been proposed it will remain a nightmare.

I would like to discuss and put on record what I consider to be the unavoidable consequences of a value added tax, even under the assumption which is of course of very, very questionable validity that we will get total harmonization with the provinces. Even if we do this the administrative costs of the value added tax are extraordinarily high. Firms have to keep track of their input, the sales they have. There are all kinds of extra accounting procedures that have to be undertaken.

We know that the government is spending about \$300 million to \$400 million a year administering this tax. We know that there are over 1.5 million registrants, people who are entered into the computer with numbers and addresses who have to file regularly. They have to be supervised. They have to be caught up with if they do not file. Businesses are going bankrupt periodically and other businesses are created. Just to keep track of all those 1.5 million registrants is a very, very high cost.

In trying to keep track of those people the government already had to make exemption by the definition of a business. The representatives selling Tupperware or Avon products are all in principle required to file GST returns. As it happens and as I learned these people have entered into a special contract where a one step higher distributor pays the GST.

(1635)

There is a system that was introduced in order to reduce the regressive effect of this sales tax, in order to reduce the impact of this sales tax on those people with lower incomes.

This system is extremely expensive and awkward to administer. We have to find all of those tax filers who qualify. We have to send them cheques. As we know, many of them cannot be found. The cheques do not reach them. There are some who are receiving cheques who should not be, for example people in prison. It is a very expensive and awkward system for making this tax applicable.

The hon. member from the Bloc mentioned other disadvantages for large families and so on. In a country in which there is a very big neighbour which does not have the GST, we are finding that some Canadians, the snow birds, are taking holidays in the United States, staying there for months on end and not paying taxes yet they have the right to services that are provided while they are here.

This was a report filed by several of the witnesses who considered that to be a tax inequity. I am reporting what some representatives of the people of Canada are saying.

One of the most traumatic experiences I have had was listening to a businessman who was located in a border town whose commerce has been devastated by the existing GST. Where there once were 10 supermarkets, there now are two. Where there were 15 gas stations, three are left. There is no way in which the new value added tax will take care of this problem.

I would suggest that if we put on top of the value added tax through harmonization the provincial sales taxes equivalent, we will increase the incentives for border shopping with all the problems that this causes to a wide strip where Canadians are living along the U.S. border.

We heard many stories about tax evasion encouraged by the value added tax. This is something that will also be increased by the possible harmonization of the increase in differences. The tax was designed originally to make international trade neutral.

We know that in this country tourism is a very important export service. We heard representatives telling us that it is not possible to remove the distorting effects of the GST on that important international trade dimension. We also heard that it is impossible to ever tax the consumers of the financial sector. A

comparative international study has shown that none of the European countries have done so because technically it simply is not possible.

These problems exist because the value added tax is basically flawed in a world in which we live, next to a country that does not have a value added tax, and because we live in a country in which we like to take care of those who are at the lower income scale and who would otherwise have been hurt.

(1640)

Mr. Nelson Riis (Kamloops): Mr. Speaker, I listened with interest to my hon. friend's dissertation on the son of GST, called the VAT. We will be referring to the Minister of Finance as Vatman or something of that nature.

Can the hon. member respond to this observation? When we go into book stores these days, the books we notice front and centre are books on how to avoid tax, how to reduce taxable income and so on. For many, tax evasion has become a blood sport. Being in a situation where one can avoid paying tax and participate in the underground economy now is something that Canadians increasingly are part of unfortunately.

Would the hon. member say that the reason for these activities is because Canadians generally have lost faith in our tax system? Do they see it as a fair system, an equitable system, a just system where all people are paying a fair share? If the perception is that it is unjust, unfair, then people are saying: "I might as well try to do whatever I can to avoid paying what taxes I am because I am probably paying too much".

Mr. Grubel: Mr. Speaker, I attended a conference on the underground economy which was held in Vancouver a couple of months ago and very soon the conference proceedings on this topic should be published by the Fraser Institute. This was a great subject for discussion. The surveys made of Canadians suggested they have become extremely cynical about these issues. The hon. member summarized the argument very well.

At the same time however the evidence presented by those people who have studied it a great deal suggests that the underground economy is not as large as is popularly believed. There are certain industries, such as home repair, shoe repair, home care services and on and on that when one looks at these industries in detail it turns out that they do not represent a very large proportion of national income.

The largest proportion of national income is produced by large industries such as automobiles, banks and so on that do not have an opportunity to evade taxes in the way it was suggested. Nevertheless it is quite clear there is a very great temptation at the moment as a result of the existence of the GST for people who wish to have their houses repaired, who have all kinds of services that are consumed in the home, are finding that produc-

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ers come to them and say: "Will it be with or without the tax?" For them there is no penalty for suggesting this.

Why not save a buck, especially once the ethical standards about this have been eliminated or have been depreciated as a result of the discontent with overall levels of government spending and deficits.

It may very well be that it will be very difficult in the future to restore this. We may have used up an amount of social capital in trust and in confidence in our government and in our taxation program. There was a lot of worry expressed about that at the conference.

We hope to do that once we get our spending under control and taxes can be lowered, as is the program of some parties, but it will be a long haul.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, I would like to say first of all that the committee experience with regard to this issue was certainly a very productive and rewarding one.

I want to pay tribute, as my colleague did a few moments ago, to the chairman, the hon. member for Willowdale, and also the departmental officials that were so willing to provide us information and direction.

I must say though that one of the things I noted as our hearings started was that it seemed like we were having a rerun of 1990.

(1645)

Many of the people said very clearly: "I said this at the GST presentation in 1990, but it bears repeating in 1994". We heard that a number of times. It is interesting to see that certain recommendations which were made at that time but were unacceptable were more acceptable during the spring session of this Parliament.

One of the questions raised earlier was with regard to whether we could concur in this report without jeopardizing some of the negotiations with the provinces. There is no question that is a misconception. The report sets up a framework by which negotiations can take place with the provinces. It establishes a variety of options which can be used to negotiate or look at in terms of the responsibility of this government to replace the GST. There is no reason that this House cannot vote on this matter and concur in it at this point in time. There is no reason that cannot be done even though we may disagree with a number of things in that report.

What did we really hear in those hearings? What is it that Canadians said to us? That is the most important thing. They said very clearly that the GST had a lot of shortcomings and a lot of pitfalls. It was unacceptable in a number of ways.

They also said that they had spent a lot of money in 1991 in implementing it, putting it in place and complying with it as the government requested. They had spent a lot of money and did

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not intend to do that again. This was said very clearly to the government. I hope the government remembers that when it starts to implement the GST.

Harmonization was also a top priority. Over and over again this ideal target was presented to the committee. They said we must harmonize with the provinces. That statement was easily said but after listening to the provinces I think there is going to be some difficulty.

Consider for example the province of Alberta. In my conversations with some of the ministers they clearly said that at this point they do not want the government to interfere in the direct taxation area, the sales tax area. Therefore a province and the federal government are in somewhat of an adversarial position.

Other provinces are asking what is in it for them, how they will benefit. If the federal government is not able to satisfy those questions in trade-offs and in application then certainly there will not be much of an improvement to the current circumstances. Harmonization was a top priority in at least 70 per cent of the presentations made to us.

In terms of simplification, the point was made that we must remove the work and the headaches at the local level. Many of the owner operated retail businesses are working many hours, spending many of their dollars directly and indirectly and using their energy in filling out GST forms. After the business closes, husbands and wives are having to return at night to determine the amount of GST that must be forwarded to Ottawa. That has to be simplified.

If we changed that compliance procedure whereby people could determine the GST amount and forward it to Ottawa once a year, that would be much better. There is a recommendation in the report that leads to that and I consider it as an interim measure by the government.

One of the other questions was the matter of whether it should be visible or hidden. I would say it was a 50:50 split. Canadians looked at it and there is merit for both ways. The Reform Party has said that any taxation should be visible so that people know what they pay and what it costs them to run the Government of Canada.

(1650)

One of the other things that was most significant and I think is a message that the government should hear which came through the GST hearings is to get its spending under control, that there should be deficit reduction. That was the message, loud and clear.

They also raised the question as to the commitment that this government made with regard to the GST. It is clear to Canadians that the Liberal government said it will replace the GST. There was a perception out there when that was said in the election and has been quoted a number of times and said even during the proceedings in this House that people in Canada expected the tax would cost them less, compliance would be much simpler, and that they would not incur additional administrative costs through a replacement tax.

They also thought that it would be a tax that would have a new form or a new application. I am not sure what they thought it was going to be or how they reached that conclusion, because there were certain options available and those were the only options.

I asked my constituents how they felt about changing the GST and what they thought should be done. In mid-April I sent out my householder to my constituents; 5,300 of my constituents responded to the questionnaire and one of the issues listed was the GST and how they felt about it. How they felt is an indication and should be a notice taken by the government as to how they should respond to changes that are brought about in this next two year period.

First of all, they said that 61 per cent wanted the tax included in the price of goods and services. That is very interesting because many of the people who made presentations said the very same thing, but 61 per cent of them said they wanted it included in the price.

Second, 65 per cent wanted to eliminate the GST altogether but only after the deficit is eliminated.

It is worthy to pause at this moment because what they are really saying is that the GST or its replacement should be an interim tax measure that would bring in a revenue replacement or a consistent revenue of about \$14 billion to \$15 billion, but that once the deficit is looked after then that tax form should be eliminated. This is what they recommend.

One major shortcoming of the report that is presented to this House is that question is not being addressed. The government has not made a commitment to the term of the tax. It is most likely going to end up something like our income tax. Back in the war years the income tax concept was implemented only as an interim measure and it was supposedly going to be eliminated after a period of time. We know the history of that. Today we are still paying income tax and a huge amount of income tax out of our daily pay cheque.

It is really unfortunate that Canadians pay 30 per cent, 40 per cent of their income to income tax as wage earners in this country. It is very high.

What else did my constituents have to say? Eighty-nine per cent of my respondents want to apply the GST to the accumulated debt once the government obliterates the deficit. They also want it to deal with the accumulated debt, meanwhile, 54 per cent would rather see income tax rates decline after the tax is eradicated.

(1655)

The message from that is very clear. They are saying it is time in this country that we focus on deficit reduction, that we cut the cost of government and in turn reduce taxation so that we have more income for ourselves that is available to meet our own personal or family or community needs. It is time we changed.

Those are the shortcomings of this report. One, it talks about putting a tax in place but not what it is. Second, it does not deal with the question of deficit reduction.

Government Orders

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I move, seconded by the Secretary of State for Parliamentary Affairs:

That the House do now proceed to Orders of the Day.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

Some hon. members: On division.

(Motion agreed to.)

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

The House resumed from June 21 consideration of the motion that Bill C-32, an act to amend the Excise Tax Act, the Excise Act and the Income Tax Act, be read the third time and passed.

The Acting Speaker (Mr. Kilger): When Bill C-32 was last before the House, the hon. member for St. Albert had 15 minutes remaining for debate.

Mr. John Williams (St. Albert): Mr. Speaker, I rise again to talk on Bill C-32 and since it was yesterday that I was talking last on the bill perhaps I should give a little bit of a recap of what I was saying for the benefit of members opposite.

I was saying that a nation is not a nation if it cannot defend its borders and enforce its laws. What we saw this past winter was a situation in which this great and wonderful country of ours allowed its borders to be used illegally. They refused to defend them while in many situations there were millions, even billions of dollars being smuggled into this country.

The abuse of our borders and the unwillingness of this government to defend its own borders was a disgrace to Canada.

The smuggling was largely through certain reserves that straddled the border between Canada and the United States and that was what we called, as far as I understand, a no-go zone for the RCMP.

This government even refused to send in the police to bring under control and under the Canadian jurisdiction the laws of this land while they were being blatantly abused and ignored by people in that area.

We could watch on evening television—and this was not Bosnia or Belfast, it was right here at our own border—while skidoos and boats were crossing the St. Lawrence River, bringing smuggled contraband into this country. We could hear the bullets and the guns going off. You would think you were in a war zone.

We sometimes even heard the people on television saying that if the government sends in the RCMP it will be war on our very own borders. That is another shame on Canada. We had one here last night when democracy was denied in the House. Here we have in our country the RCMP not going in to defend the laws of the land or to defend the borders. Not only was that an insult to Canada but, to add insult to injury, these cigarettes were being exported legally by manufacturers in Canada. They were fully aware that 70 per cent of all cigarettes they were exporting were coming back across the border illegally. The government was fully aware of that. Yet it waited until the situation reached a crisis point before it did anything about it.

(1700)

These manufacturers were willing co-conspirators in the smuggling situation. By exporting them they were not losing their market. They were fuelling their market. They were increasing their market. They knew the cigarettes that were being exported to the United States were coming back in here and were being sold here for less than half the regular price in a store because of the high taxation applied by this country.

As a result of the lower price more and more people were smoking. As I said they were willing co-conspirators in this game where Canada was being bilked of billions of dollars, where our laws were being ignored, and where our borders were being trampled on by people who had no thought, care or respect for our great country. The manufacturers, the exporters, the brokers and the truckers were all working legally but with full knowledge that the end product was illegal, denying tax revenues to the government and putting the jobs and well-being of the country at risk.

We have laws in this land to protect our society. Finally the government acted. It introduced the measures last February which we now know as Bill C-32. At that time it reduced the

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federal taxes on cigarettes by \$5. It said that for every dollar the provinces reduced the tax to a maximum of \$5 it would match it, for a total \$15 reduction. The province of Quebec where the smuggling was by far the worst went further and reduced the provincial sales tax even more.

In addition the government applied an \$8 excise tax where cigarettes were being exported to places where no tax was being applied. This was to recognize that cigarettes exported to a foreign country and ending up on native reserves had no taxes. It was to make sure that the value of the cigarettes as we exported them would be higher and therefore reduce the differential and the smuggling back into this country.

In addition they applied a 40 per cent surtax on the profits of the Canadian manufacturers of cigarettes. It was a reasonable penalty, recognizing the fact these Canadian manufacturers had been willing co-conspirators in the smuggling problem, to say to them that they could not make profits in this country if they participated in this type of illegal activity. Therefore the government applied the 40 per cent surtax and said that it needed the money for education. It was to spend the money to teach young Canadians that there is a penalty for smoking; not only a financial penalty but a very serious health penalty as well.

My hon. colleague from Macleod, who is a medical doctor as we all know, gave vivid and graphic descriptions which really were not nice. It was nice to get the descriptions but the graphics of people who smoked were not very nice. We will leave it for the record to indicate exactly what he said. He described them far better than I could.

(1705)

The health penalty for youngsters who start smoking is very serious. That ends up spilling over into health costs later on if these people contract various lung problems, emphysema and even cancer. That cost to us as a nation adds to the penalty we have as people continue to smoke. The government also introduced the measure to raise the age of purchasing cigarettes from 16 years to 18 years.

There were four basic measures. It dropped the excise tax. It added an export tax. It added an income surtax to the manufacturers and increased the age of people allowed to buy cigarettes.

Let us take a look at these four items. I can agree with the \$8 excise tax. I can agree with the surtax applied to the manufacturers because they were the willing co-conspirators. However I cannot agree with the reduction in the taxes applied to cigarettes because we know from statistics that the cheaper cigarettes are the greater the likelihood that young people will start to smoke.

For youngsters with peer pressure affordability is one of the major factors in making them decide whether they will or will not start to smoke. If we can increase the price beyond their

financial resources or so that they would rather apply the money elsewhere, we are doing them a favour by encouraging them not to smoke. Therefore I cannot endorse the reduction of the tax that was part of Bill C-32.

Not only that. The smuggling was primarily in the provinces of Quebec and Ontario. I understand it was largely in the province of Quebec. It was not out west and I represent a riding in the province of Alberta. The problem was not serious out there even though there was a large differential between the price of cigarettes in the province of Alberta and across the border in the United States. We did not have any reserves straddling the border that could claim some kind of national jurisdiction and could say that Canadian laws did not apply to them. Of course they apply to them. They apply to all Canadians. That was where I left off yesterday when I talked about Bill C-33 and Bill C-34. I wanted to get into that because the government refuses to talk about these important issues as we saw last night.

The point is that now we have dropped the price of cigarettes in eastern Canada we find that they are substantially more expensive in the west where we are still trying to discourage Canadians from smoking. Now we will have a smuggling problem east-west between provinces rather than north-south between Canada and the United States. I cannot support the idea that we drop the price of cigarettes dramatically by reducing the excise tax.

Another point I would like to speak on is that we have raised the age whereby it is now legal for youngsters to buy cigarettes from 16 years to 18 years. I started my speech by saying that a nation is not a nation if it cannot defend its borders and enforce its laws. Although the government introduced this law, I wonder if it intends to enforce it. It has paid lip service by applying the law to people under the age of 16 years buying cigarettes. Now it is changing the law to 18 years of age. Do members think it is going to go out there and enforce the law? Is it going to have the RCMP outside every grocery store and corner store? I doubt it.

The problem is that we are not only encouraging children and young folk to smoke. We are also telling them that they can thumb their noses at the law and get away with it because we do not care. We write laws that we do not intend to enforce. We have members standing in the House, Canadians elected to represent the people of the country and to write laws for the betterment of society.

(1710)

I do not think we have shown any leadership, direction or responsibility in this matter. In conclusion I have to say I cannot endorse Bill C-32. A couple of points are okay. However, with respect to the fundamentals of trying to reduce the amount of

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smoking in this country, that is why the high taxes were introduced in the first place. I cannot endorse the removal of these taxes, telling kids that it is okay to smoke and okay to break the law. I will be voting against the bill.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I was quite interested in the hon. member's statement. The sense I get from across the way is that one person wrote the same speech for everybody. Much of the same misinformation seems to be passed along from one member of the Reform Party to the next.

The hon. member stated that this was an eastern Canadian problem. I am wondering where he gets that information. The hon. member knows this was a major problem in Alberta. There have been a number of complaints by people from all over the country. Smuggling was a problem in every single province.

Other hon. members on the other side suggested that we failed in this matter. The hon. member said yesterday that smoking had gone up because of this. I found that quite interesting so I called Statistics Canada. Statistics Canada reported that Canadians smoked approximately 3.6 billion cigarettes in the year ending April 1994 compared to approximately 4.3 billion smoked in the year ending April 1993. That seems to suggest that smoking has gone down dramatically. A lot of it has had to do with the policies brought in by this government, especially the hard work done by the Minister of Health in this area.

These hon. members seem to always suggest that this is just a native problem, that somehow we have two systems of laws in this country, one for native Canadians and one for other Canadians. From people who obviously have not spent a lot of time with natives in this country, I find it quite distressing hon. members would even suggest that. There is no two tier system of laws in Canada. We have one set of laws for all Canadians.

There was a problem before we became the government. The RCMP was having problems dealing with specific situations on certain reserves. I wish hon. members on the other side would visit some of these places. It is not so easy to send in a whole bunch of RCMP officers and expect them to solve a situation. These people are good people. They are Canadians and the majority of them on these reserves respect the laws. The people on the reserves want all Canadians to know they are law-abiding citizens. Yes there are certain problems on the reserves. Certain individuals on the reserves do not follow the law.

We as a government made a commitment when we brought in this bill to make sure the RCMP went into these areas and dealt with the problems. To suggest, like the other side is suggesting, that we somehow militarize these places, send in the forces, knock them all around and that somehow we will stop the smuggling is all wrong.

(1715)

What that would do is create animosity, create mistrust and it would not be a good way to set a good standard for all Canadians to live by.

I want to ask the hon. member if he really believes there are different levels of laws in this country for certain Canadians or is it just the rhetoric of the Reform Party that he is being pressed into saying this. Does he really believe that there are Canadians—

Mr. Strahl: Do you really believe your question?

Mr. Speller: Yes I do really believe my question. Does the member really believe that there are different levels of laws in this country for Canadians? If he does, how does he propose to solve some of the problems that he has outlined here?

Mr. Williams: Mr. Speaker, after all of that I should be allowed another 15 minutes for sure.

I will respond to the hon. member. He talked about disinformation but I think all the disinformation comes from that side of the House. We were talking about it and the way it actually is. He brought out some stats from Stats Canada. If you listen to the dates, Mr. Speaker, he was comparing the numbers before the introduction of Bill C-32, before the government reduced the excise taxes.

I have no doubt in my mind whatsoever that cigarette smoking will go up because the price has come down dramatically. Stats Canada said that there is a direct relationship. There is no doubt in my mind that smoking will go up especially among young people and we now find especially among young women.

He is talking about more than one set of laws in this country. Yesterday we were trying to point that out to the members over there and they invoked closure so we could not get our point across.

However, the Minister of Indian Affairs and Northern Development introduced a law that says natives in this country, in Yukon and so on, under the agreements in Bills C-33 and C-34 are exempt from the charter of rights, yet everybody else in this country is under the charter of rights. Therefore, obviously there are two sets of laws in this country for two different groups. That addresses the wider range and also the narrow situation regarding the reserves that straddle the border.

I remember the Minister of National Defence sitting in this House when there was discussion and debate about some shooting at a helicopter that was flying over the reserve to monitor or do something regarding the smuggling problem. They were so afraid to take any action. He said that it was okay to shoot at the helicopter as long as you did not hit it.

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The Minister of National Defence, who has all the resources at his disposal, said that it is okay to shoot at us as long as you do not hit us because we do not want to retaliate. Anyone else in this country who takes a potshot at government property and government personnel, you can bet your boots that they are going to answer for it in court. Yet the minister says as long as they were not hit it did not matter.

In answer to the hon. member's question, the disinformation is coming from over there. Look at the facts. This is a serious situation.

I will finish up by saying a nation must defend its borders and enforce its laws and that is the basic, fundamental principle that has been abused. This government should ensure that these things are looked after or make sure that the laws that are not enforceable are not applied or not introduced.

The Acting Speaker (Mr. Kilger): Before resuming debate I do want to indicate to the House that we will now move to the next stage of debate. Members will be entitled to a maximum of 10 minutes intervention with no questions or comments.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I was looking forward to the questions and comments.

(1720)

We will have a special audience outside after.

Mr. Speaker, thank you very much for the opportunity to participate in this debate. As you know, Bill C-32 represents a very important part of the budget which was first presented on February 22, 1994.

I would like to spend part of my time going over the major features of this legislation, but I would also like to take some time to respond to some comments made by members during yesterday's debate. In the haste of debate we often do not take time to seriously read each other's material and to think about the consequences of what other members might be saying.

The first issue I would like to address is on page 5626 of yesterday's *Hansard*. A member raises the question: Why does the present Liberal government always seem to be in a hurry to table bills without having the appropriate committee reports prepared?

I would like to leave Canadians assured that the government does not rush through important legislation. We began this debate openly, not in February but back in December, and continued it through January and February, ending up with the presentation by the Minister of Finance.

The measures in this legislation were clearly explained in the original budget documents and enable the government on a technical basis to carry out these measures which are important to the success of the budget.

We gave the opposition parties an opportunity to call witnesses, and of course our own members too, and some witnesses did appear to discuss Bill C-32. The fact is the coalition made not one but two presentations concerning the tobacco tax portions of this legislation.

It is important, therefore, that members of the opposition do not play too loosely with the activities of the government and leave Canadians with the impression that we have been in a hurry and that they have not had an opportunity to speak. I would like to assure the House that anybody who approached the House of Commons finance committee to speak on this legislation was given an opportunity and that in future cases we would give the opposition parties and our own members every opportunity to invite people to speak about legislation that was presented.

As an extension of that, members of the opposition are invited to present amendments both in committee and at report stage so that we can consider ways of improving the legislation.

This legislation deals primarily with tobacco smuggling. As members have discussed in the last few days and previously, there has been a rapid growth in tobacco smuggling in Canada. The contraband tobacco trade has had serious consequences for government, business and citizens of our country. The increasing market penetration of contraband tobacco products has caused a serious decline in government revenues. These revenues are an important part of the government's tax collection and are used to provide funding for programs and services across many areas of responsibility.

Based on these concerns, the government announced a comprehensive anti-smuggling initiative on February 8, 1994 designed to eliminate smuggling as a significant national problem. Leading this national action plan was an increase in enforcement, with greater resources assigned to both the RCMP and Canada Customs to intensify their efforts along the Canada-U.S. border and to target organized criminal networks dealing in contraband tobacco and other products.

In addition to specific excise and income tax changes, Bill C-32 also contains a number of measures that are important to the long-term success of a national action plan on smuggling. This legislation contains provisions for full inventory rebates to be provided in respect of the national \$5 excise tax reduction.

All wholesalers and retailers are eligible for complete reimbursement for tax paid inventories of cigarettes, tobacco sticks and fine cut tobacco held as of midnight, February 8, 1994.

Administration of the inventory rebate program is the responsibility of Revenue Canada. This bill will provide the Minister of National Revenue with the authority to pay out inventory rebate amounts once it receives royal assent.

There have been a number of questions raised and I would like to assure the House that we have been listening very carefully to these. Dealing with the question of the reductions, the question

that we hear most often is why does the national action plan on smuggling include tobacco tax reductions?

In 1992 the government announced a wide range of enforcement measures to respond to the substantial rise in tobacco smuggling triggered by federal and provincial tobacco tax increases.

(1725)

These measures included much tighter controls on the distribution and sale of tax free tobacco products, significantly higher penalties for persons caught smuggling, new proceeds of criminal provisions and the allocation of substantial new resources to customs and the RCMP to strengthen their enforcement efforts and the border and within Canada.

While these measures assisted the government in its fight against tobacco smuggling, they were not sufficient to bring the problem under control. The price differential between Canadian tax paid tobacco products and contraband products were such that the profits from smuggling far outweighed the associated risk. As a result, despite these measures, smuggling continued to grow, representing about 15 per cent in about 1991, 25 per cent in 1992 and 40 per cent in 1993 of the total Canadian market for tobacco products.

The government's national action plan on smuggling is a comprehensive plan that includes new enforcement initiatives, tobacco tax reductions, measures affecting tobacco manufacturers and measures to reduce smoking. There is also an export tax. The tax on exported tobacco products is designed to more closely control export shipments and to prevent any recurrence of the level of shipments that would effectively supply the contraband trade.

At the same time Bill C-32 makes provision for certain limited exemptions to allow tobacco manufacturers to satisfy demand for legitimate exports for bona fide consumption outside Canada. These exemptions apply in respect of the historical level of exports which was in the range of 2 to 4 per cent of total domestic production during the period before tobacco smuggling became a problem. As well exports where the manufacturer provides satisfactory evidence that the national taxes of the country of destination have been paid are also exempt on the grounds that tax paid tobacco products are not used to supply the contraband tobacco market.

The tax is only imposed on manufacturers of tobacco products because only manufacturers can export tobacco products free of domestic taxes and duties.

There is also a health promotion surtax which applies for a three-year period and this has raised the question; why not make it permanent? The health promotion surtax is one part of the government's national action plan on smuggling. It was de-

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signed to respond to the potential for increased consumption associated with tobacco tax reductions, providing the funds necessary to undertake an extensive anti-smoking campaign to help prevent any increase in smoking. The government does not expect that tobacco taxes will remain at the reduced levels indefinitely. As such it was not considered appropriate to make the surtax a permanent feature of the income tax system.

Yesterday a member from one of the opposition parties quite accurately pointed out that I raised this point in testimony before the finance committee and it is part of their record that we are very concerned, as is every member of the House, about the levels of smoking and that the actions of the government do not contribute to increased consumption.

To assist the federal enforcement agencies and provinces to control the potential for interprovincial diversion of tobacco products, Bill C-32 contains new liability and offence provisions. An additional federal excise tax will be imposed on a wholesaler or retailer in respect of any sale of marked tobacco products to a person in another province. The legislation also makes the offence subject to a fine for any person to sell or offer for sale tobacco products marked for consumption in one province to a consumer located in another province.

I can assure the House that the people in Manitoba are very concerned about this issue. This particular provision was to address the western provinces.

As I started my speech I wanted to bring to the attention of the Chair that sometimes members react perhaps too strongly to particular measures. I want to quote one member yesterday who said, and I quote from page 5649 of *Hansard*:

This reduction in taxes to cigarettes is the single most disastrous act of sabotage to the health of Canadian people which has ever been enacted by any government in the history of this country.

That is a pretty strong statement. A representative from the same party on page 5629 said:

This party supports the immediate payment of tax rebates owing to retailers and distributors throughout Canada.

Some hon. members: Oh, oh.

(1730)

Mr. Walker: Let us go back over this again in case members were not paying attention. We have first a reduction in taxes on cigarettes, the single most disastrous act of sabotage to the health of the Canadian people. This party supports the immediate payment of tax rebates owing to retailers and distributors throughout Canada. Heaven forbid if something serious should happen in this country.

There are other elements of this that I want to bring to the attention of the House. There seems to be some confusion among opposition members on the air transportation tax. I want

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to point out that the purpose of the new air transportation tax regime is to reduce the cost of short haul flights.

This was brought to our attention by a witness from the province of Quebec and also raised in the House during debate yesterday by members from Quebec. I want to reiterate that in most cases those flights will see a reduction in the cost of the air transportation tax because they qualify as short haul flights.

It is very important that there be flexibility of the government to respond to the needs of businessmen and local markets. The member opposite raised this and I agree with him 100 per cent. For small businesses the cost of these flights is very important. It slows down their business in the province. It slows down the business across western Canada. We have made efforts through this to reduce the cost of the airport tax on short haul flights and to increase it on long haul flights. We feel that brings a greater degree of fairness.

Mr. Speaker, I could go on for a while about other comments made in the House but I welcome the debate, as do you, and I urge all members to support Bill C-32 as soon as possible.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Mr. Milliken: Point of order, Mr. Speaker. I think you might find there is unanimous consent of the House to suspend the operation of private members' hour for the time being to permit completion of the debate on Bill C-32.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): Agreed. Resuming debate on Bill C-32.

Mr. Dale Johnston (Wetaskiwin): Mr. Speaker, I am pleased to rise in the House today to speak on Bill C-32 on behalf of the Reform Party. Other members of my party had planned and prepared to make presentations on this as well but unfortunately they will not have the same opportunity as I have.

Last night we witnessed a Liberal interpretation of open democracy when they invoked closure on this and every other critical piece of legislation before this House.

Here we have another omnibus bill that tackles issues as varied as airport tax, meal allowance changes and the anti-smuggling initiatives. Today I will concentrate my remarks on the cigarette smuggling and taxation component of this bill. I believe that this is a step in the right direction. We should be educating the public about the hazard of smoking tobacco. I agree with the export tax on tobacco products.

We in this party are in favour of stronger enforcement of the laws against smuggling. We have a police force in Canada that is one of the best in the world. We have laws. Why this situation is so different from any other law breaker is really difficult for me to understand. Take speeders for example. Because people do not comply with the speeding laws is no reason to change the laws to do away with the speed limit so that people can drive at any rate they like. Instead we come up with different ways to apprehend these speeders and we penalize them for having no respect for our laws.

When we talk about compliance we have a problem now with smuggling east and west in Canada. It occurs to me that we are all too ready to enforce our smuggling laws east and west but we are very hesitant to do the same as far as other smuggling is concerned.

How much money do you suppose this government is foregoing with this new policy of the reduction of taxation?

(1735)

The government's policy is to broaden the tax base. It has voluntarily given up hundreds of millions of dollars of revenue. If one reduces taxes on cigarettes across this country and foregoes those hundreds of millions of dollars worth of revenue, it would seem to me that in order for the Liberal government to reach its target of 3 per cent deficit of the GDP in three years' time, it will be compelled to make up this revenue somewhere else since it seems reticent to reduce its spending by any substantial amount.

I suspect that there have been many debates in this House and in the provincial legislatures that increasing taxes would not only bring in additional revenue from the so-called sin taxes but it would also be a financial deterrent against smoking. This reduction in the taxation on cigarettes seems to be a complete departure from that rationale.

This bill also increases the legal age limit to buy tobacco which I suppose is commendable but at the same time the government is making tobacco and cigarettes more affordable. Now that we are making it financially easier for people to purchase cigarettes, will we see an increase in the usage of an already overburdened health care system? Some members have quoted facts and figures on both sides, whether there is an increase in smoking or whether there has actually been a decrease in smoking.

It makes me wonder when we are quoting facts from Statistics Canada if they have taken into consideration the amount of cigarettes that have been smuggled into this country and consumed that do not show up on StatsCan's statistics.

I will take a slightly different tack. In my view, a very clear precedent has been set here. We have established that in order to deter smuggling, we must take the profit out of smuggling by reducing the taxation on whatever.

There is also a significant problem with the smuggling of alcohol and spirits into Canada. It is very easy to draw a parallel between the smuggling of tobacco and the smuggling of spirits. The price of a bottle of spirits in Canada is approximately double what it is in the United States. Eighty-seven per cent of the cost of a bottle of spirits in Canada is taxation. The manufacturer must produce, bottle, advertise, transport, pay all capital building costs and employees and take its profit out of the 13 per cent that is left.

Is it any wonder then that we have the smuggling of spirits north and south across our border. It seems to me that we are encouraging a new generation of runners here. The statistics that I have indicate that of the 17 million cases of alcohol or spirits that is sold in Canada today per year, four million of those cases are contraband. They reached Canada illegally. They were shipped out of Canada and smuggled back across the border.

We arrive at four million cases by communicating with provincial liquor boards, comparisons of per capita consumption between Canada and the United States and consumer surveys on consumption habits and Revenue Canada customs law enforcement agencies.

There has been quite a lot of discussion about what the law should be and the two tier system. Is there a law for one group and another law for another group? Perhaps that is a debatable point. There is no question that it is debatable. There is definitely a difference in how the law is enforced.

What we are looking at here is an enforcement problem. We should have gone to a more stringent enforcement. We have the laws. We have the police force. We simply need to apply it.

(1740)

I believe that if we follow the rationale that the reduction in taxation is the route to go as far as discouraging smuggling of cigarettes, then exactly the same thing has to be done with alcohol. We have to improve the enforcement profile, as I have said, and we must increase the penalties for smuggling. I do not believe that reduction of taxation should enter into it at all.

I find it extremely difficult to support this bill in its present form. I do not have any intention of doing that at this time.

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?

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Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

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

(Division No. 79)

YEAS

Members

| | |
|-------------------------------|---|
| Alcock | Allmand |
| Anderson | Assad |
| Assadourian | Augustine |
| Bakopanos | Barnes |
| Beaumier | Bellemare |
| Berger | Bethel |
| Blondin—Andrew | Bodnar |
| Boudria | Brown (Oakville—Milton) |
| Brushett | Bryden |
| Caccia | Calder |
| Campbell | Cannis |
| Catterall | Chan |
| Clancy | Cohen |
| Collenette | Collins |
| Copps | Cowling |
| Crawford | DeVillers |
| Dhaliwal | Dingwall |
| Discepola | Dromisky |
| Duhamel | Dupuy |
| Easter | English |
| Fewchuk | Finlay |
| Flis | Fontana |
| Gagliano | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Galloway | Gauthier (Ottawa—Vanier) |
| Godfrey | Goodale |
| Graham | Gray (Windsor West) |
| Grose | Grubel |
| Guamieri | Harb |
| Harper (Churchill) | Harvard |
| Hickey | Hopkins |
| Ianno | Iftody |
| Irwin | Jordan |
| Keyes | Kirkby |
| Knutson | Kraft Sloan |
| Lastewka | LeBlanc (Cape Breton Highlands—Canso) |
| Loney | MacLaren (Etobicoke North) |
| Maloney | Marleau |
| Massé | McCormick |
| McGuire | McKinnon |
| McLellan (Edmonton Northwest) | McTeague |
| McWhinney | Mifflin |
| Milliken | Minna |
| Mitchell | Morrison |
| Murphy | Murray |
| Nault | O'Brien |
| O'Reilly | Pagtakhan |
| Parrish | Peric |
| Peterson | Phinney |
| Pickard (Essex—Kent) | Proud |
| Reed | Regan |
| Richardson | Robichaud |

Government Orders

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| Rompkey | Scott (Fredericton—York Sunbury) |
| Shepherd | Sheridan |
| Silye | Speller |
| St. Denis | Steeckle |
| Stewart (Northumberland) | Stinson |
| Szabo | Thalheimer |
| Tobin | Torsney |
| Ur | Valeri |
| Vanclief | Walker |
| Wappel | Wells |
| Whelan | Young |
| Zed—125 | |

(1805)

Mr. Milliken: Mr. Speaker, on a point of order, I think you might find unanimous consent in the House for a couple of motions.

ROUTINE PROCEEDINGS*[English]***COMMITTEES OF THE HOUSE**

COMMITTEE REPORTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): I move:

That until September 19, 1994, notwithstanding the usual practices of this House, all committees shall be authorized to deposit their reports with the Clerk of the House on days when the House stands adjourned, pursuant to Standing Order 28(2), whereupon those reports shall be deemed to have been presented to the House.

(Motion agreed to.)

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I think you might find consent for the following motion. I move that the 28th report of the Standing Committee on Procedure and House Affairs presented to the House on Friday, June 10, 1994 be concurred in.

The Speaker: Is it agreed?**Some hon. members:** Agreed.**Some hon. members:** No.

Mr. Milliken: Mr. Speaker, I have a further suggestion, that we continue with the suspension of private members' hour and that we proceed with Bill C-34.

The Speaker: Is it agreed?**Some hon. members:** Agreed.**NAYS**

Members

| | |
|--------------------------------------|---------------------------------------|
| Abbott | Ablonczy |
| Althouse | Axworthy (Saskatoon—Clark's Crossing) |
| Bachand | Bellehumeur |
| Benoit | Bergeron |
| Bernier (Mégantic—Compton—Stanstead) | Breitkreuz (Yorkton—Melville) |
| Bridgman | Brien |
| Brown (Calgary Southeast) | Bélisle |
| Canuel | Caron |
| Chatters | Crête |
| Cummins | Daviault |
| Debien | de Savoye |
| Dubé | Duceppe |
| Duncan | Epp |
| Fillion | Forseth |
| Frazier | Gilmour |
| Godin | Gouk |
| Grey (Beaver River) | Guay |
| Hanrahan | Hart |
| Hayes | Hermanson |
| Hill (Prince George—Peace River) | Hoeppner |
| Jacob | Johnston |
| Lalonde | Landry |
| Langlois | Laurin |
| Lebel | Lefebvre |
| Leroux (Richmond—Wolfe) | Leroux (Shefford) |
| Loubier | Marchand |
| Martin (Esquimalt—Juan de Fuca) | Mayfield |
| McClelland (Edmonton Southwest) | McLaughlin |
| Mercier | Meredith |
| Ménard | Nunez |
| Paré | Penson |
| Pomerleau | Ramsay |
| Riis | Ringma |
| Rocheleau | Sauvageau |
| Schmidt | Scott (Skeena) |
| Solberg | Solomon |
| Speaker | Strahl |
| Taylor | Tremblay (Rimouski—Témiscouata)—76 |

PAIRED—MEMBERS

Members

| | |
|-------------------|----------------------------------|
| Asselin | Axworthy (Winnipeg South Centre) |
| Bertrand | Bonin |
| Bouchard | Dalphond—Guiral |
| Deshaies | Dumas |
| Finestone | Fry |
| Gagnon (Québec) | Gauthier (Roberval) |
| Gerrard | Lavigne (Beauharnois—Salaberry) |
| Lincoln | Maloney |
| Picard (Drummond) | St-Laurent |
| Stewart (Brant) | Verran |

(1800)

(Bill read the third time and passed.)

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

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development) moved that Bill C-34, an act respecting self-government for first nations in the Yukon Territory, be read the third time and passed.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I am extremely pleased to rise today in support of Bill C-34 which implements self-government for First Nations in Yukon, an extremely historic agreement.

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It is a particular pleasure for me to do this because as Minister of Indian Affairs in 1976–77 I was involved in the original negotiations with respect to these matters. At that time the claim made by the Council of Yukon Indians was entitled “Together Today for our Children Tomorrow” and was presented by Elijah Smith, an outstanding leader with the Yukon Indians. Soon afterwards I dealt with the new president of the Yukon Indians who was known as Daniel Johnson.

I supported this claim at that time which is a long time ago and I am pleased today after many ups and downs that it is finally settled and being ratified at this time by the House of Commons. I should point out that part of the delay over these many years has been due to the fact that the Yukon Indians to their credit not only put forward land claims in the traditional way but also wished to have aboriginal self-government as part of their claim and that held up the negotiations for many years.

It is also interesting to note that some of the people who were active with the Council of Yukon Indians back in 1976–77 when I was negotiating with it are still active today. I saw in the balcony last night people such as David Joe, Harry Allen and Vic Mitander. I must congratulate them all, along with Judy Gingell, the new chairperson of the Council for Yukon Indians, for their tenacity and their commitment to their claim and for having stuck with it over the years despite some very tough negotiating situations.

(1810)

It is interesting to note that when we started the process back in the seventies very few Canadians understood and supported what we are doing here today. There was very little understanding and support for aboriginal land claims and especially for aboriginal self-government. However over the years there has been great progress and great advance in public education to the extent where today there is overwhelming support for these claims.

A certain amount of the success in advancing this public education was due to the aboriginal nations and to the work of the special committee on Indian self-government in the 1980s under Keith Penner, a former member from northern Ontario. I was also a member of that committee. The process that led up to the Charlottetown accord included provisions for aboriginal self-government which by that time had achieved a great deal of support among Canadians. Despite the fact that the Charlottetown accord was rejected by Canadians, the clauses with respect to aboriginal self-government had a lot of support.

As Canadians we have come a long way in understanding and supporting aboriginal self-government. Unfortunately that support is not yet unanimous. I am sad to say that we still have in the House a number of members, those in the Reform Party, and others in the country who still do not seem to understand this important concept and who still bring up the old myths and

stereotypes with respect to aboriginal people. I ask these members with great sincerity to take a new look at it. There is still time for them to vote in support of this very important measure.

We must remember that the aboriginal nations in Canada and in North America generally were here for thousands of years before the Europeans came. In that time they had their own lands, their own governments, their own languages, their own cultures, their own laws and their own economies. They were nations and they lived on the lands we now occupy.

When most of us as Europeans—and some of us came from other lands—first came here the aboriginal people thought they were sharing the land with us. They certainly were not transferring it to us. They never agreed to give up their rights and their sovereignty with respect to these lands, their cultures, traditions, governments and so on. Regretfully our people, the descendants of the Europeans, gradually took it away from them.

It is only justice that today and in other land claim settlements and through the treaties these demands have finally been recognized, that these rights are finally recognized, and that we have agreed to settle with these nations as we are doing today with the Yukon First Nations.

We are now on the third and final reading of Bill C-34 which is the Yukon First Nations self-government act. The self-government agreements to which this legislation pertains are in many respects the most complex self-government arrangements we have ever attempted in the country. For one thing they are unique in that they are the first such agreements tied in directly with a comprehensive land claim agreement that is ratified at the same time.

(1815)

This legislation will be passed together with the Yukon land claims settlements act, Bill C-33. That means the administration of both the claims and self-government aspects will begin simultaneously in these First Nations that have signed self-government agreements.

It is also the first self-government legislation to cover all the First Nations within a single province or territory. Previous self-government arrangements have been made with a single band such as with the Sechelt band of British Columbia, or with a regional group such as was the case with the Cree and Naskapi in northern Quebec.

The Yukon settlement, which was initiated by the Council of Yukon Indians, covers the vast majority of aboriginal people in the territory. It includes almost a quarter of Yukon's total population.

The legislation is also the first self-government legislation to include several different aboriginal cultures and communities under a single piece of legislation. Yukon has some seven distinct native language groups. There are 16 communities in

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Yukon, virtually all of which have a significant aboriginal population.

Finally the Yukon self-government legislation is the first under which the First Nations will be empowered to provide certain programs and services not only to residents living on settlement land but also to First Nation citizens living off settlement land. This is another first.

Given these unique features, it is not surprising there were fairly protracted negotiations before the final agreements were reached. Because of the complexity and diversity of Yukon's aboriginal communities, the government agreed to negotiate and sign individual self-government agreements with each of 14 separate First Nations. Four such agreements have now been finalized. Active negotiations are currently being pursued with five others.

The government is confident this process will be completed satisfactorily over the next few years. While each agreement will have certain unique provisions reflecting the particular characteristics and needs of individual First Nations, there are certain common areas covered in all the agreements negotiated to date.

These include first, the recognition of First Nation governing structures. Unlike the previous band structure under the Indian Act that they will replace, First Nations will have broad powers similar to those of other governments to enter into contracts, acquire and hold property, and form corporations. These powers are vitally important if the First Nation is to effectively administer self-government and develop initiatives to improve the economic and social conditions in its communities.

Second, these agreements will replace the Indian Act. Under the agreement the Indian Act will no longer apply to a Yukon First Nation, its citizens or its land, except for some minor provisions which deal with for example the question of which citizens are Indians within the meaning of the Indian Act, how reserve lands are to be treated under a self-government regime, and provisions respecting the treatment of trust moneys for minors.

Third, the agreements provide for an ongoing process for transferring programs to the First Nations, that is transferring programs from the department of Indian affairs to First Nations. It is inherent in these agreements that First Nation governments will assume responsibility for administering a number of programs and services now provided by either the federal or territorial governments. These will include social services, health services, and educational responsibilities.

This will be done on a transitional basis in which the First Nation will take the initiative in determining which programs it is prepared to take on and in what order. Annual meetings will be

held between government and First Nations to review priorities and agree on the timing and financing of these transfers.

(1820)

Although this process will take time, the government is confident that over the next several years the minister will be able to downsize the department of Indian and Inuit affairs operations in Yukon by some 75 per cent from present levels. Only a small staff will remain to handle responsibilities and obligations directly related to the implementation of federal responsibilities emerging from self-government. I want to congratulate the minister on the actions he has taken in that respect.

Fourth, the legislation provides for the establishment of law-making authority of First Nations over their citizens and settlement land. Although federal laws of general application will remain paramount, First Nations will have authority to pass legislation dealing with internal management, the provision of services, taxation on settlement land and similar matters.

Fifth, with respect to the funding of Yukon First Nations, self-government will be by means of new five-year comprehensive financial transfer agreements which will replace current funding agreements. These will give First Nations much more scope and flexibility within which to set priorities and plan for the orderly development of their communities.

These are the key general provisions in the legislation that will be common to all the self-government agreements in Yukon. However, some differences will exist from one First Nation to another in Yukon, for example, in procedures established for ratification of the agreement and in the specific provisions dealing with the application of self-government powers within community boundaries.

The most compelling aspect of self-government is the opportunity it provides for economic development within aboriginal communities. Both aboriginal leaders and the government are seriously concerned about the continuing high rates of unemployment among aboriginal Canadians. This is clearly one of the major stumbling blocks to improving the economic and social conditions among Canada's aboriginal population. As the government has stated, this is a matter of national concern. The untapped potential of aboriginal people is untapped potential for all of Canada.

Yukon's aboriginal population is young with more than half of that population under 24 years of age. Like the aboriginal population as a whole, it is growing at a faster rate than the national average. Compounding this situation is the fact that young aboriginal people in all parts of Canada, including Yukon, are seeking greater educational opportunities in recent years. Across Canada, the number of young aboriginal people staying in school until grade 12 has doubled in the past decade. The

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number going on to post-secondary institutions, universities and colleges has almost doubled in the past five years.

This is an extremely positive development and one that reflects well on the leadership of aboriginal communities and the governments that have supported their efforts. It also means there is a growing generation of job-ready young people coming to the employment market with higher hopes, higher aspirations and higher expectations than ever before. Unless these hopes and expectations are reasonably met, they will quickly be replaced by despair and disillusionment.

The very fact that these land claims and self-government agreements will come into effect will create an environment of greater certainty and stability in Yukon. This in turn will have a positive effect on investment, particularly in the important resource sectors of mining and mineral development. An upsurge in activity in these key areas will certainly have a ripple effect throughout Yukon's economy and will create improved job opportunities for both aboriginal and non-aboriginal people.

(1825)

Our government, the Liberal government, is convinced that aboriginal economic development must be largely a bottom-up exercise. Aboriginal controlled community enterprises and effective community development institutions will be the main engines of economic growth for them and for the entire communities. We are further convinced that the combination of the powers inherent in self-government taken in tandem with the funding provided in the land claims agreement will create a climate in which such development and institutions will have a much better chance of succeeding.

Self-government can work to provide wealth and jobs, provided the arrangements have been carefully worked out and provided the First Nations concerned are willing and able to take maximum advantage of the opportunities presented to them. This is certainly the case with regard to Yukon's First Nations. The self-government agreements have been painstakingly worked through negotiations spanning many years.

The leadership of Yukon's First Nations are ready and willing to take on the job of governing and rebuilding their communities. There is no reason to delay. There is every reason for us to give speedy consideration and passage of this self-government legislation so that the work can begin. I think the government did the right thing in putting forward the motions last night to ensure this legislation would pass before we adjourn this House for the summer recess.

I must say as well that self-government is not the be all and end all. As several aboriginal leaders have pointed out recently, simply signing a document cannot make the problems of their people disappear overnight. On the other hand, this government is convinced that all these problems of housing, social services, education and economic progress can be more effectively ad-

vanced and dealt with within the environment of greater local autonomy, a sound financial framework and equally and mutually respectful relations among governments at all levels. That is what self-government is essentially about. It is why this government has brought this legislation before the House.

I conclude by urging all members of this House, including my friends in the Reform Party, to support this legislation.

[*Translation*]

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, we are now only a few minutes away from adopting a bill on which my party the government and our Reform Party colleagues have worked for many hours.

Before getting into the nuts and bolts of the bill before the House today, I would like to talk about how my perspective on the work of a parliamentarian has changed. It is light years away from what I expected my work as a parliamentarian to be, especially as a critic for a sector as difficult and complex as Indian Affairs. We sometimes think that the life of a parliamentarian, before we actually experience it ourselves, is very easy and that it is cocktail parties every evening.

Since coming to Ottawa, and especially these last two weeks, I have not had time to go to cocktail parties; I have only had time to read through agreements one-foot thick in order to analyse them very quickly.

I think I can say that I have learned to appreciate the complexity of the issues. For instance, since aboriginal issues are a federal matter, and being a member of a sovereigntist party, I have always adhered to the principle that we have two nations in Canada, Quebec and the rest of Canada. My point is that Quebec and Canada sometimes have different ways of approaching the issues.

As a critic for the Official Opposition in a federal Parliament and as a member of the sovereigntist party, one has to be very diligent to ensure that one's positions are implemented. I am delighted to see that Quebec has led the way in this respect. The hon. member made this point earlier with respect to James Bay and the Northeastern Quebec Agreement—the Cree and the Naskapis—and I think this is a first in Canada. We led the way, and this fact has given me some very important tools. The issues are also complex because within the territory occupied by these two nations, there are about 600 native bands, each with its own identity.

(1830)

The word complex applies not only to the relations between two nations and the 600 native bands in Canada. Especially in Quebec, the situation is extremely difficult with regard to the aboriginal question. Extremely difficult, because unfortunately, we have tremendous problems with some of the reserves. I think the federal government is not doing everything it should to resolve these problems. My point is that the situation is not an

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easy one for a parliamentarian, especially an Indian affairs critic.

There are other aspects which make being an Indian affairs critic a thankless job. The minister tables a bill for first reading, the same afternoon we receive a stack of documents a foot thick, and the next day I have to rise in the House to make two speeches. Imagine the amount of work, even if we are told subsequently that these documents were in public domain, we have other things to do as well. So not only do we have a difficult job but there is also a tremendous amount of work involved. We are now on our fifth bill on aboriginal affairs in two weeks, C-16, C-25, C-33, C-34, and C-36, and I personally introduced a motion on the north.

Imagine the work we have to do! And that does not include our work on the standing committee. The committee has to go on with its study of the bill. Once again, I thought I would stay up all night only once during this session, but I did so twice, thanks to my friends in the Reform Party, because we discussed the issue all night. Fortunately, the hon. member for Jonquière relieved me at 2 a.m., because the sitting was starting to seem very long indeed, but I tell you that the job of Indian affairs critic is not an easy one.

It is also vital for a critic to explain to his party how important it is to respect and understand the First Nations. And that is not always easy, considering the difficult and volatile context I just mentioned. It is also necessary to show that one has the political will, and I think the Bloc Québécois, by supporting land claims in the Yukon and self-government for aboriginal peoples, has shown that it is prepared to understand these people.

It may be scant consolation but I did find it satisfying to see that, despite all this hard work, I was able to sense the frustration of these people in the Yukon who had to wait 21 years for these negotiations to be concluded. All of the work that we have had to do to reach this third reading stage is nothing compared to the frustrations these people must have felt over the years.

Understanding and respect are important considerations. I have in my office the Indian and Northern Affairs map showing the 600 bands scattered across Canada. Approximately one hundred different languages and dialects are spoken by these bands and first nations. Imagine the wealth of native culture, particularly with respect to language.

As for the environment, in our economic analyses, our environmental concerns have always taken a back seat to other priorities. The opposite is often true for native peoples. We have to understand that the environment often tops their list of priorities. These are important considerations when it comes to adopting a bill such as the one now before us because, as we will

see, the bill's provisions focus at considerable length on the environment.

We also have to understand that in our view of modern economy, the main thing is for shareholders to earn as many dividends as possible on their shares. However, their primary concern is the environment. They are not interested in measures that will enhance or stimulate their economy, because these could harm or endanger the environment. We must also understand this extremely important aspect of native culture.

(1835)

Last but not least, I want to touch on the question of power or authority. Later on, I would enjoy talking with the people of the Yukon to hear their views on power and democracy, and specifically on parliamentary democracy. We are accustomed to seeing people yell "yea" and "nay" and rise one by one for hours on end. In our system of parliamentary democracy, this is quite acceptable. However, for some this process is hard to understand because their concept of power is quite different.

I can give you some typical examples of what happens on some reserves when negotiations take place. Because we are used to delegating authority, our first instinct is to say: Let us go meet with the appropriate authorities. We come before the band council and to our great surprise, after several negotiation sessions, we realize that the band council is not the only authority on the reserve. First nations have a very different view of authority than we do.

I realized that sometimes the band council says yes one day, and no the next. Why? Because there are other authorities on the reserves with whom we are not in the habit of dealing. Among others, the elders have some authority. We view the elders as important, wise people, but for the natives, it goes much further than that. The elders are responsible for the presence of the others on the reserve and are seen as very wise. Others look to them constantly for advice and counsel.

This view of authority is very important because when a band council has made a decision, the elders may that same day or in the days that follow give their view of the decision made. There are also the clan mothers, a totally different phenomenon than what we have in our society. Native societies are often matriarchal societies, whereas ours is a patriarchal society. We are accustomed to seeing the father as an authority figure, as the one who gets angry and who metes out punishment. The opposite is often true in native communities. Mothers have a great deal of influence, considerably more than they do in our society. Therefore, it is important to design new systems and new centres of authority within each reserve.

We are used to the way things are done here in the House and often in the agencies we deal with. Decisions are made by simple majority. Fifty per cent plus one vote is all that is required to

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make a decision, and the minority is then asked to come on side. They, on the other hand, will often debate an issue far longer until a consensus is reached. I think these things are important, because I want my colleagues to be aware of what it means to negotiate and hold talks with aboriginal nations. It is also very important to go there first-hand, as I did on several occasions, to try to establish such relations and see how they work. This may be a thankless assignment, but it is also extremely rewarding and, from a cultural standpoint, I must say that rubbing shoulders with them has been an ongoing source of personal enrichment for me.

Now, concerning the bill—I hope you will forgive this aside, but I felt it was important to get it out before launching into the mechanics. What is self-government? A quick definition would relate the “self” to independence, the ability to make decisions in relation to a central authority. This is what will be before us today with the bill. And “government” means the act of governing and providing political direction. So these people will effectively be able to make decisions on very specific points of jurisdiction, which are in the agreement that I will explain later. This is what self-government means to some extent, and I thought it was important to start with a brief definition.

In keeping with the argument I developed previously, no two self-government agreements can be exactly alike. Some people associate self-government with a territorial base, and this is so in the case before us today. Others already have a territorial base and are not necessarily seeking to expand that territory, but rather want to be given specific points of jurisdiction.

(1840)

Again, depending on their culture, they will ask the government during negotiations to give them back such and such area of jurisdiction—be it education, health care, social services, police or language. These areas may vary from one nation or reserve to the next.

We must understand that there is no general model. It cannot be said that self-government will be handled the same way for all 600 bands in Canada. That is impossible.

I pointed out earlier the importance of knowing their culture, their language and their respect for the environment, that is, their great customs and traditions firmly rooted in their genes, I would say. Some preconditions must be met before this type of negotiations can be entered into. I think the first nations must be willing to take control of their own destiny. The Yukon people that I have met seem to have this will. They showed us time and again that they wanted to plan their own future and get rid of the famous Indian Act guardianship. If the minister and the Liberal

government are to be believed, they want to dismantle the Department of Indian Affairs and revoke the Indian Act.

I think this agreement fits in with the idea of taking control of their own destiny and getting rid once and for all of the Indian Act and the guardianship of Indian Affairs.

There is also a will to respect other people's cultures. I think the Bloc Quebecois has also shown that we were able to understand these people and that they understood us as well. I noticed a little sadness when debate dragged on, but they must understand that we are living in a democracy under a system different from theirs and that, unfortunately, they had to go through the process that took place here in recent days. So I think they are in a position to understand that this is the way the Canadian government operates.

I now want to make a short statement on what I said at the beginning of my speech about the importance of the James Bay Agreement affecting the Cree, as you know, and the Northeastern Quebec Agreement affecting the Naskapi. That is something the Bloc Quebecois must rely on because it was a first, an agreement that was hard to reach, I admit, but so rewarding and important in paving the way for other aboriginal nations.

I want to congratulate Quebec on how it approached these very complex negotiations with aboriginal nations. Not only was Quebec willing to negotiate but it made an effort to understand, as the money it spent on this demonstrates.

We see again that Quebec, to its credit, has a strong value system and that its respect for other peoples is reflected in these agreements. For instance, if we consider the financial impact and what the Government of Quebec contributed through Hydro-Quebec, most of the money in these agreements came from Hydro-Quebec and the Government of Quebec, while the agreements that have been before the House lately include very little in the way of financial input from the provinces involved.

It is clear that the federal government is very generous to aboriginal people outside Quebec, but the situation is different in Quebec, although, we decided to try to reach an agreement with these people in an atmosphere of mutual respect. It took time, and of course there are still the occasional clashes today. There are still some irritants, but I can assure you that on the Quebec side we are trying to smooth out the rough spots.

I think it is important to point out that the James Bay Agreement was a first, an example that was followed by many other aboriginal nations.

(1845)

In fact, the list of jurisdictional items that are included in the agreement before the House today was already to a considerable extent included in this agreement, and that is why I say that the James Bay Agreement was a pioneer in this respect.

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As far as administration is concerned, and I will now get back to the bill before us today, these people will no longer be dependent on programs administered directly by the Department of Indian Affairs. They will finally be able to say: We have values, we have a different culture and we intend to run our affairs in our own way in accordance with our own culture and traditions and with a greater say over our own economy, which is as it should be in a modern economy.

I wish them good luck with the language aspect, those who are in the visitors' gallery today. Since there are six or seven languages and the common denominator there is English, I hope that aboriginal languages will command a greater appreciation and that aboriginal people will be able to exercise much tighter control over aboriginal languages. I also hope they will not experience what happened in Quebec to the French language.

You know about Bill 101 and Bill 178, and we in Quebec are constantly under attack from Supreme Court judgments. I also know that Quebecers are prepared to respect the terms of agreements with aboriginal peoples. I hope that as far as aboriginal languages are concerned, the Supreme Court will stay put and not do anything that would destroy aboriginal languages in the Yukon as was done in Quebec.

As far as health care is concerned, people will have greater control over health care, which is quite an achievement. I say this because once again, their culture has shown us that they take a very unique approach to medicine and health care. It is a holistic approach which focuses more on prevention than on cures. We see a lot of healing circles, which are an important resource. Kateri hospital in Kanawake, for instance, takes a very different approach. The physicians who work at the hospital went to a traditional white school, but with their culture they also have an approach that is far more holistic, as I just said.

There is a series of other programs, and I do not intend to repeat the speech I made in second reading, but perhaps I could expand somewhat on the roles of the traditional economy and a modern economy. This is something of a challenge for them, and I think they will be able to meet that challenge. The traditional aboriginal economy, particularly in the Yukon, is based on trapping, fishing, fruit gathering, and so on, in the ancestral way. It is an economy which has always existed and I think it should be preserved.

Now we must also ensure that integration into the modern economy does not simply sap and devastate this traditional economy. Knowing the aboriginal nations and the importance they place on the various facets of their traditional economy, such as gathering, hunting and fishing—because this has gone beyond mere subsistence and can also involve marketing activities—I think they will go out of their way to ensure its smooth integration with the modern economy.

I also think it is important to talk about law enforcement. I did not get a chance to speak on the young offenders bill, but I must point out that there are enormous justice problems on aboriginal reserves. It is increasingly obvious that our justice system cannot apply, or is extremely difficult to apply to aboriginal nations. Delinquency rates are high, incarceration rates are also high. This may be—and in fact is—attributable to appalling social conditions. Economic and social conditions are extremely bad, so that people tend to turn to drugs and drink—with all of the resulting ills in terms of delinquency and incarceration rates. So, given the opportunity to administer the justice system a little more, their justice system being slightly different from ours, law enforcement will be more tailored to their standards.

(1850)

A person who commits a crime may not necessarily have to go before a judge or go to jail. They have a sort of discussion circle, and often the entire community will discuss an adolescent's particular problem and try to develop an action plan to rehabilitate the individual without necessarily imposing incarceration. These are important considerations that must be raised to explain that their culture is different.

The bill contains all of these concepts, and it is safe to say that the people of the Yukon will be taking far greater control over their future. I will conclude to leave a little time for my friends in the Reform Party. The Bloc Quebecois will support Bill C-34, as we stated in committee and at second reading.

I would like to review some of the points raised by the hon. member who preceded me. I think the Reform Party left aboriginal people and, I think, other Canadians with a bad impression; people think they may be going too far. I think people in the Reform Party might take advantage of the next few minutes to try to erase the picture which Canadians and aboriginal people now have of them. Naturally, I would ask them to vote in favour of Bill C-34.

Finally, the elders who were there will be pleased to note that the present generation has concluded an agreement which will benefit their children's children. This agreement was entered into peacefully, without the use of weapons, solely through perseverance. I ask all of my colleagues to vote in favour of Bill C-34.

[English]

Mr. David Chatters (Athabasca): Mr. Speaker, I wish to divide my time, if that is possible, with the member for Calgary Southeast.

Thank you, Mr. Speaker, for this opportunity to debate Bill C-34. Before I get into the specific clauses of this bill that will allow self-government for 14 Yukon Indian bands, I wish to

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again express my objections to the strategy the government chose in introducing this bill into the parliamentary process.

I use the precise words of the minister of Indian affairs: "The scope and complexity of these agreements is unprecedented. This government has used all means at its disposal to stifle public exposure of this legislation". That begs the question: Why?

This party had no desire to block this legislation and could not even if we chose to. We simply wanted time for adequate public scrutiny, examination and meaningful debate. Was this unrelenting bullying simply to satisfy someone's ego or is it, as some aboriginal people suggested to me, to prevent proper examination and exposure of the fact that this is a move to exploit the desire for dollars of current band leadership to extinguish aboriginal rights now provided through the treaties and the Indian Act? Time will tell.

While this was procedurally allowable, I would remind those members who were in opposition in the last Parliament to remember their own cries of objection when the Conservative government imposed those conditions on themselves and the Liberals' promise in the red book to do things differently.

To those who would dismiss our demands for fairness I would like to quote from this very self-government agreement in the preamble where there is a definition of consultation, which I presume was what was supposed to be taking place here. That definition says:

Consultation means to provide to the party to be consulted notice of a manner to be decided in sufficient form and detail as to allow that party to prepare its views on the matter, and a reasonable period of time in which the party to be consulted may prepare its views on the matter and an opportunity to present such views to the party obliged to consult.

Surely this House deserves at least the same consideration as that provided in the agreement.

(1855)

Since these bills cannot come into force until pending surface and subsurface legislation is introduced in the fall, it seems reasonable that these bills could have stayed in committee for the summer and had proper analysis without in any way delaying their implementation.

However having gained some time, I am more and more coming to the realization of my question of the minister in committee before his unprovoked attack upon me. My question was of his vision of self-government. We are now beginning to see his vision. It seems to be that of sovereign nation states within Canada with powers in some cases parallel to the federal government fully funded by the Canadian taxpayer.

The member from Churchill during the committee process continually demanded an answer as to who in fact holds title to the lands in Canada. It is becoming clearer and clearer that this government's idea is that the aboriginal peoples of Canada still

retain title to the lands in Canada and we as non-aboriginal people are simply leasing or renting the land that we are using and occupying. I might notify all Canadians that as of today the rent is going up on the land that we occupy.

I must now voice our concerns on behalf of all Canadians with this legislation. First, I must question why we are now being asked to pass this self-government legislation when only four out of 14 bands being given self-government have agreed to sign this agreement.

I am aware that all 14 bands have agreed to the umbrella agreement but the 10 non-signatories must be trying to negotiate substantially different agreements or there would have been 14 agreements before us today instead of 10. I suspect very much that the hesitation of the other 10 has much to do with the extinguishment of some very fundamental aboriginal rights.

Should the governor in council have the authority to approve the remaining 10 agreements without the examination of Parliament? I question this. It goes right to the question of what in fact are we here for? In addition to the aforementioned concerns, I have concerns about the minister's remarks when leading off the discussion when he said that these self-government agreements do not have constitutional protection. They may, however, be revisited to apply this protection when his government is able to define the inherent right to self-government. I submit this statement has a serious impact on the goals of clarity and certainty which were to be achieved.

There are a number of very subtle references in this agreement that I believe and our legal counsel agrees have very important implications for this country. These references will no doubt be discounted by others as simply wording but I am sure most people here know full well the difference wording can make in the interpretation of legal documents.

This is the first time I am aware of any piece of legislation dealing with Canada's aboriginal people referring to these people as First Nations and to the people involved as citizens instead of participants. This subtle wording could have implications not only in the international community but also in the self-determination of other cultural groups likely to be dealt with in this country soon.

We are giving legitimacy to nations within nations and beginning the dismantling of Canadian confederation. I question if we as Canadians should be setting up ethnically or racially based homelands when South Africa is just celebrating an end to the same system because it found it to be discriminatory, divisive and most undesirable. It might even be open to challenge under the Canadian Charter of Rights and Freedoms on the ground that it discriminates on the basis of race.

I find it surprising that the Liberals and NDP so quickly support this concept. In a biography of T.C. Douglas, the much respected first leader of the NDP by Doris F. Shackleton, she states: "The practical obvious solution is to do away with the

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reserves and the degradation that goes with stewardship and integrate the Indians with all speed into Canadian society”.

Is this ambition now too obvious and too practical for today's NDP? When the leader of the Liberal Party was the minister of Indian affairs his department published a white paper on the status of Indians. The proposal of that document formulated by the now Prime Minister was that Indian citizens should become equal citizens of the provinces and of the country.

(1900)

In recent weeks there has been much discussion whether the charter would apply to aboriginal self-government. On two occasions the minister of aboriginal affairs said the charter would apply to this legislation. This certainly has not turned out to be the case.

In spite of the fact that this party introduced an amendment that would allow the Charter of Rights and Freedoms clearly to apply, the government and the House refused the amendment. That begs the question, was it refused because the Indian leadership did not want it or was it refused because the government did not want it. Either way there are serious questions that need to be answered.

Clause 8 of the bill which refers to an as yet unadopted constitution by an as yet undefined government structure calls for the recognition and protection of the rights and freedoms of citizens. There is now expert legal opinion that the charter probably does not apply to aboriginal self-governments unless special provisions are made.

We believe the protection of the charter must apply for the same reasons the aboriginal women of Canada voted against Charlottetown. It is not some idle thought or idle dream of the Reform Party to be obstructionist. I would like to quote from an article in the *Free Press* recently by an aboriginal person. Make note that these are not my words. They are the words of an aboriginal woman and an elder of an aboriginal band.

“One thing for sure, I am not for this self-government. All it is going to do is make a lot of men think they are high politicians. I know native men. They are still trying to be dominant. All this power will go to them. According to the native men, women are just supposed to follow them around like little puppies”.

The native elder goes on to say: “Aboriginal leaders have failed in their efforts to improve conditions and now expect to be trusted with more power. Everything they,” that is the aboriginal leaders, “have done backfires. We are supposed to be running our reserves and we are \$1.4 million in debt. We have no control now. There are drunks everywhere, bootleggers in every corner of the reserve. The law was strict before. Now there is no law. How can we say yes when there is no control. This may be good for Ovide Mercredi and the chiefs. They can fly all over Canada. Winnipeg has become a paradise for our chiefs. Now they want to put in self-government”.

Those are the words of aboriginal people so when it is said that all aboriginals, all people, support the agreement there are other opinions.

Clauses 11, 13, and 20 refer to the law-making powers of these self-governments and schedule III, parts I, II, III and IV spell out in detail the areas of jurisdiction.

In most of these 44-plus areas one would naturally assume that self-governments would have jurisdiction but there are notable exceptions where power formerly granted only to provinces is given to these governments.

Schedule III, part III, No. 7 appears to give authority over gaming and lotteries.

Number 13 provides control over operation and licensing of motor vehicles.

Number 14 provides control over the manufacture, supply, sale, exchange, transportation, possession and consumption of intoxicants, i.e. alcohol or drugs.

Number 17 provides control over the administration of justice.

This unprecedented power and control raises questions of the approach aboriginal governments will take to access these lands in question. I believe there are ominous signs also and I would like to demonstrate with a couple of these examples as well.

In the *Slave River Journal* of Fort Smith on June 8, 1994, there was an article telling of a Mr. Ray Decorby who was shot in the leg for trespassing on Indian lands while he was trying to photograph birds.

Another example that might apply is a subdivision in the township of Archipelago where the Indian band involved erected a steel gate across the road denying access to non-aboriginal homes and cabins on the lake and demanded \$5 million for passage through the gate.

Everybody in the House heard what happened at the Mohawk reserves in Quebec and southern Ontario when the Canadian military dared to trespass on Indian lands.

The provision of these powers goes well beyond powers granted to any government subordinate to provincial governments in Canada.

(1905)

In the briefings the minister told us the agreement would provide clarity and certainty and would be much less expensive than the current situation for Canadian governments and people wishing to do business in Yukon. We have to question how this will be possible when now instead of three levels of government to deal with in Yukon, anyone wishing to do business in that part of Canada will have to deal with 17 different governments. Each government will have its own bureaucracy, taxes, laws and

Government Orders

regulations. It sounds like an expensive bureaucratic nightmare of gigantic proportions.

I have consistently expressed support for the concept of aboriginal self-government and self-determination. I will support every measure designed to provide the Indian citizen with the same opportunity as I want for my children and grandchildren. I will resist every attempt that is made to relegate Indian citizens to a separate status of citizenship based on ethnic origin.

The implications of this legislation are far reaching. These agreements, whether or not the aboriginal people of Yukon wish—

The Acting Speaker (Mr. Kilger): Order. Pursuant to order made Tuesday, June 21, 1994, in accordance with Standing Order 78(2) it is my duty to interrupt the proceedings and put all questions necessary to dispose of the third reading stage of the bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion, the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

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

(Division No. 80)

YEAS

Members

| | |
|---------------------------------------|------------|
| Adams | Alcock |
| Allmand | Anderson |
| Assadourian | Augustine |
| Axworthy (Saskatoon—Clark's Crossing) | Bachand |
| Baker | Bakopanos |
| Barnes | Beaumier |
| Bellemeur | Bellemare |
| Berger | Bethel |
| Blondin—Andrew | Bodnar |
| Bouchard | Brien |
| Brown (Oakville—Milton) | Brushett |
| Bryden | Bélisle |
| Caccia | Calder |
| Campbell | Cannis |
| Caron | Catterall |
| Chan | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Cowling | Daviault |

| |
|---------------------------------------|
| Debien |
| DeVillers |
| Dromisky |
| Duceppe |
| Easter |
| Fewchuk |
| Finlay |
| Gagliano |
| Galloway |
| Godin |
| Gray (Windsor West) |
| Guarnieri |
| Guimond |
| Harper (Churchill) |
| Hickey |
| Ianno |
| Irwin |
| Jacob |
| Keyes |
| Knutson |
| Lalonde |
| Langlois |
| Laurin |
| LeBlanc (Cape Breton Highlands—Canso) |
| Leroux (Shefford) |
| Loubier |
| Malhi |
| Marchand |
| Massé |
| McGuire |
| McLaughlin |
| McTeague |
| Mercier |
| Minna |
| Murphy |
| Ménard |
| Nunez |
| O'Reilly |
| Parrish |
| Peric |
| Peterson |
| Pickard (Essex—Kent) |
| Proud |
| Richardson |
| Rocheleau |
| Rompkey |
| Scott (Fredericton—York Sunbury) |
| Sheridan |
| Speller |
| Stewart (Northumberland) |
| Taylor |
| Tobin |
| Tremblay (Rimouski—Témiscouata) |
| Valeri |
| Walker |
| Wells |
| Young |

| |
|---|
| de Savoye |
| Discepolo |
| Dubé |
| Duhamel |
| English |
| Fillion |
| Fontana |
| Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Godfrey |
| Graham |
| Grose |
| Guay |
| Harb |
| Harvard |
| Hopkins |
| Iftody |
| Jackson |
| Jordan |
| Kirkby |
| Kraft Sloan |
| Landry |
| Lastewka |
| Lebel |
| Leroux (Richmond—Wolfe) |
| Loney |
| MacLaren (Etobicoke North) |
| Maloney |
| Marleau |
| McCormick |
| McKinnon |
| McLellan (Edmonton Northwest) |
| McWhinney |
| Milliken |
| Mitchell |
| Murray |
| Nault |
| O'Brien |
| Pagtakhan |
| Paré |
| Peters |
| Phinney |
| Pomerleau |
| Regan |
| Robichaud |
| Rock |
| Sauvageau |
| Shepherd |
| Solomon |
| Steckle |
| Szabo |
| Thalheimer |
| Torsney |
| Ur |
| Vanclief |
| Wappel |
| Whelan |
| Zed—152 |

NAYS

Members

| |
|---------------------------------|
| Ablonczy |
| Breitkreuz (Yorkton—Melville) |
| Chatters |
| Duncan |
| Forseth |
| Gilmour |
| Grey (Beaver River) |
| Hanrahan |
| Hermanson |
| Hoeppner |
| Martin (Esquimalt—Juan de Fuca) |
| Meredith |
| Penson |
| Ringma |
| Scott (Skeena) |

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Silye
Speaker
Strahl—35

Solberg
Stinson

PAIRED—MEMBERS

Members

Asselin
Bertrand
Crête
Deshaies
Finestone
Gagnon (Québec)
Gerrard
Lincoln
Picard (Drummond)
Stewart (Brant)

Axworthy (Winnipeg South Centre)
Bonin
Dalphond—Guiral
Dumas
Fry
Gauthier (Roberval)
Lavigne (Beauharnois—Salaberry)
Maloney
St-Laurent
Verran

(1915)

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the third time and passed.)

* * *

YUKON FIRST NATIONS LAND CLAIMS SETTLEMENT ACT

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development) moved 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 third time and passed.

Mr. Elijah Harper (Churchill): Mr. Speaker, it gives me great honour to participate in this debate and also to recognize a process which should have been resolved many, many years ago. It has taken a long time to get the recognition we deserve as First Nations in this country we call Canada, which happens to be an Indian word. I do not know if Reform members know what that means. Certainly they need to understand the real history of the country which today we call Canada. If it was not for the kindness and the generosity of the First Nations and its people this rich country would not benefit anybody.

(1920)

I know we are talking about the land claims settlement agreement and also self-government but often times we combine the two because that is our philosophy, our way of thinking. We cannot isolate the land from day-to-day life. Our existence depends on the land and it is very important that people understand that.

If I go back to the time of the first European contact the governments that came to this country were met by First Nations on the shores of the St. Lawrence River or on the west coast of

British Columbia or on Hudson Bay and Winnipeg. The First Nations met these people and that relationship has never been concluded, has never been finalized. Certainly across the country there have been many agreements and treaties made with First Nations and that process has extended to areas where treaties have not been made such as the Northwest Territories and Yukon.

I always say that the first order of business has never been concluded with the first people, the first inhabitants, the First Nations.

The treaty making process is about establishing relationships. When the crown or the Queen's representatives came to this land they made treaties with the First Nations. What does it mean when you make treaties or agreements with the First Nations? It means that we entered into agreements. We established a relationship and these treaties and the modern day agreements are those agreements.

Treaties that were signed many years ago and today are about establishing relationships, how we are going to live with each other. Certainly the treaties that we signed in western Canada hundreds of years ago are still an ongoing process. They have not come to an end. Governments still have outstanding promises, treaty promises. We still have outstanding treaty land entitlements. We still want to resolve some of the issues like education that were promised to the Indian people.

Those things are ongoing. The treaties were signed years ago but it is an ongoing process because it is about establishing a relationship.

As I have said many times, we have never surrendered or extinguished the right to govern ourselves. As a matter of fact when the treaties were entered into, the Queen's representative, the crown, never questioned the authority and the jurisdictions of the First Nations. They respected it.

(1925)

That is the fundamental relationship that the First Nations have with the Government of Canada, the treaty relationship. No other group of Canadian people have that relationship. It is a special relationship that we hold sacred and we bind the government to honour those commitments. Our elders tell us those are sacred agreements.

It is not something that was given to us. Our way of thinking, our philosophy, is to share what we have. Certainly in terms of land, our philosophy is that we cannot own it but rather we could only share it with the newcomers to this country.

There was conflict over the different value systems that the Europeans, when they came to this land, wanted to impose. They had a different value system such as land tenure which was quite foreign to us. Somehow they conferred that title on to us and

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later negotiated it back so that they somehow would justify their occupation of this country.

If one looks at the Indian philosophy, our way of thinking, governments did not need to do that because our way of thinking is to share what we have, including the land and resources that we signed in our treaties, including in the Northwest Territories and today in the Yukon settlement.

We have been very patient, very generous, very kind and we have never rejected anyone who came to this country. As a matter of fact, we extended our hand to the rest of the world for the kind of country this can be, this great country that we call Canada today.

Sometimes I cannot fathom the thinking of the Reform Party in which it questions the land that is being claimed and settled with the aboriginal people. Our people never questioned their generosity to the rest of the people. We never questioned that because that is our way to extend a hand, to share what we have. That is our greatest strength as First Nations people.

What is happening today, what we are trying to retain are parts of the country, parts of our territory, so that we can continue to live traditionally and with the rest of society. If one looks at the relationship from day one and if one looks at the European people who came into this country, they were out to look for treasures, to conquer the world, to seek the riches of the world.

They came to this land and found the First Nations people who were very kind and generous here. They never knew the concept of land tenure, to own the land. The concept is as foreign as owning the air. That is how foreign that concept was to our elders at the time when we signed the treaties.

Treaties are about establishing relationships so that we would live with each other, so that we would live side by side with each other, so that we would honour each other, so that we would respect each other and not to dominate each other such as the case has been over the past hundreds of years.

(1930)

Many of the people who were signing treaties went back and started implementing a policy of the government which totally dominates us today as First Nations people. They passed an Indian Act which has been in place for a hundred years. It affects us on a daily basis as to whom we are today. It defines us as Indians. It even contributes to the conflict and chaos in our communities.

With the new Bill C-31 we have many categories of Indian people. We have status people. We have non-status people. We have treaty Indians. We have Bill C-31 Indians. We have band Indians. Governments have tried to define us, but we have always said that we are First Nations. The definition of member-

ship should belong to the First Nations government. It should define who are its members.

People often wonder why we are not improving our lives in the communities or the conditions we live in. We still have poor housing conditions. We have no running water. We have no electricity. Infrastructure is terrible. If we look at the statistics in terms of illnesses and hospital use by First Nations people, they are high. The suicide rate would be four times as high, four times the national average. Our children drop out of high school at an early age. Oftentimes they are symptoms of the social conditions we live in, symptoms of the lack of control in our communities.

We are not asking the government to give us something. We are asking the government to share what we have, to respect our governments, to respect our ability to control our lives and to respect that we are able to determine our own future. This is not about living in a different world because Canada belongs to everybody. To the aboriginal people it is not about separating. There is no threat of separation in the country.

Some hon. members: Hear, hear.

Mr. Harper (Churchill): We are not asking for land. Unlike the Bloc our intention is not to separate. Our intention is to keep the country together, to live with each other.

I just want to get back to the original terms of our relationship. It is important to understand why we live in the conditions on our reserves. The first and most destructive piece of legislation that has kept us under wraps has been the Indian Act. I have always thought the Indian Act would have established the relationship between the governments of Canada and the First Nations, not one that totally binds us or totally shackles us on a daily basis. By trying to do away with the Indian Act the government can address the issue. At least it will put the control of our lives and our destinies in the hands of the First Nations. We have never signed away or bargained away that right.

Governments outlawed many of our ceremonies. They basically outlawed our Indian spirituality. Indian spirituality is a way of life for us. Governments outlawed the dances, the ceremonies and the potlatch. Basically they outlawed how we manifested our relationship with the Creator. It was against the law to do that.

(1935)

Indian spirituality is a way of life. In order to establish a relationship with oneself, with one's family and with the community one needs to have that spirituality in oneself to establish that relationship, to be able to establish the relationship with other people who have come to this country of Canada, even to establish the relationship with the environment, with all living things, with the land, the air, the water, all the trees and all the

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animals. We need to have that. In order to be able to function as a society, able to function as a government we need to have that.

In order to have any kind of sense of moral values you need to have respect that there is another way of doing things, not just your own way. People need to recognize that. When they outlawed all these things, the classic example of how we were beaten, even for speaking our language, was done through the educational system. People were strapped for speaking their language when we went to residential school.

Many people can talk to you about the instruments that the governments used to assimilate us, to integrate us. Even cultural genocide is written in black and white as to the intentions of the government. Certainly when they outlawed the spiritual aspect of our people they destroyed many people. We might as well have existed with no heart and no soul. We might as well have been just basically robots running around without any kind of conscience or any kind of moral values.

Let me tell you that aspect has never been taken away. It has been our strength because today we have survived many years of assimilation and persevered despite government policies.

I said in my statement yesterday about Aboriginal Solidarity Day that we are a great nation, that we are a great people, that greatness is not measured by material wealth, but is measured by how much we are able to give and how much we are able to share.

That has been demonstrated by the First Nations to the rest of the world by what kind of people we are today. That as I said has been our greatest strength and has made us endure all kinds of things that have been thrown in our way. Today we are resolving a small portion of the country in which many of the First Nations live in the territory of Yukon in order to settle their land claims.

If we look at the tremendous contributions that the aboriginal people have made, this is a very small aspect of what they are getting. If we look at all the Indians, First Nations across the country, when they signed the treaties and shared the land and the resources, how much can we calculate in terms of dollars? How much can we calculate in terms of dollars has that been to the cost of the aboriginal people?

It probably runs into billions, maybe trillions of dollars, that the First Nations have shared so that other people can live in this country.

(1940)

When you look in the communities we live in third world conditions. Many of the necessities of the south in our communities in the north are considered luxuries. We have no plumbing on our reserves and no roads. We have to fly in. Unemployment is high.

In the meantime the people in southern Canada benefit from the lands and resources we shared with the governments.

Even if we get a small percentage, let us say 5 per cent of the land resources alone, there is enough for the government to be able to honour its commitment to the First Nations in this country.

Canadian people question the government about their tax dollars but it does not have to necessarily get the money from the ordinary taxpayer to pay for its treaty obligations. I know we have to maintain the social programs such as medicare and family allowance, old age pensions. Those dollars generated from the income tax of ordinary Canadians or other means, the government does not necessarily use that money to pay for its treaty obligations.

It is the land and resources which we shared that we expect the government to get the revenues generated. There is enough for it to give to the First Nations in order to honour its treaty commitments and treaty promises. I do not know how much that runs into. I think it runs into billions of dollars.

I expect governments to recognize the First Nations as equals. That we will always have the ability to enter into treaties. We did not subject ourselves to the governments. That is one thing the Reform Party should understand. We have never been equals at the bargaining table.

As I said there is no threat in that because our guarantee is to share the land resources. I might as well say our constitution is written in our hearts and enables us to share what we have.

Often times I find that people and governments want certainty to the land. I know how business operates. I know the realities of business that need to be developed and companies would want to have a certainty in terms of ownership of land. I believe there is another way to deal with those things but it is not something that is part of the bill. I do have other opinions and other ways of dealing with that. At some point maybe later on we can talk about it.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, on a point of order, I regret having to interrupt the hon. member's speech. I think you might find unanimous consent that he could share his remaining time with the member for Yukon.

(1945)

[Translation]

Mr. Duceppe: Mr. Speaker, we agreed with members of the Liberal Party and the New Democratic Party to vote on this evening's adjournment motion first and then the Bloc Québécois will give its 20 minutes to the leader of the NDP. If this is indeed the agreement we made, I would like the government House leader's assistant to confirm it.

*Government Orders**[English]*

Mr. Milliken: Mr. Speaker, I think there is unanimous agreement in the House that when the House adjourns this day after completion of the business of the House it would be deemed to be adjourned as of tomorrow at the normal hour of adjournment. In other words, for all purposes June 23 in the standing orders would be counted as June 22 in the standing orders and accordingly when the House adjourns tonight it will be adjourned until September 19. If there is that understanding I think we can proceed as indicated.

Mr. Hermanson: Mr. Speaker, in negotiations with the other parties in the House we had come to an understanding that in spite of the fact that closure had been invoked on this bill yesterday we would have 20 minutes to speak to both bills, C-34 and C-33.

If in fact we do not have 20 minutes to speak to this bill then we will deny unanimous consent to adjourn today.

[Translation]

Mr. Duceppe: Mr. Speaker, my understanding is indeed that the Reform Party will have 20 minutes. I think that there is unanimous consent on both sides of the House to give them 20 minutes, just as there is to give the leader of the NDP 20 minutes.

[English]

Mr. Hermanson: Mr. Speaker, I have a little problem with the math because the first hon. member who spoke has taken almost 40 minutes. If we give another hon. member 20 minutes of course then the debate would suspend. Therefore we cannot give unanimous consent unless we are assured by all members of this House that we will have the 20 minutes that were agreed to.

Mr. Milliken: Mr. Speaker, I think the agreement is that the House will adjourn tonight and the standing order will be treated as though it were adjourning on June 23, that there will be 20 minutes allotted to the hon. member for Yukon, 20 minutes allotted to one of the members of the Reform Party before the question is put, pursuant to the special order adopted yesterday. I think that would solve the problem.

I understand also that the hon. member for Churchill will need another two minutes to complete his remarks. I think that might be included in the whole arrangement if that is satisfactory to all hon. members. If so I think we might proceed on that understanding.

Mr. Hermanson: Mr. Speaker, I would like a ruling from the Chair that this is in fact possible under the closure motion that has been put forward and the time allocation of one hour, that this House can assure that Reform MPs will have either one member for 20 minutes or two members for 10 minutes to speak to Bill C-33.

The Acting Speaker (Mr. Kilger): Just so I understand as clearly as everyone else here, this agreement would only apply to the legislation that we are presently debating, that is C-33, and no other legislation afterwards. This is just applicable to C-33. Is that a clear understanding?

Mr. Hermanson: Mr. Speaker, we had agreement that all parties would have 20 minutes to speak to Bills C-33 and C-34. We are asking for that agreement to be kept.

The Acting Speaker (Mr. Kilger): Let me continue these negotiations. I am not trying to drag things out. Bill C-34 has passed so this unanimous consent being sought is on C-33 only. Agreed?

Some hon. members: Agreed.

An hon. member: Adjournment of the House.

The Acting Speaker (Mr. Kilger): I understand that portion.

(1950)

Maybe it is not my role, but as attentive as we all were to the intervention by the hon. member for Churchill, if the hon. member for Churchill had five minutes to conclude his remarks then I would recognize someone from the Official Opposition, from the Bloc Quebecois for 20 minutes?

Some hon. members: No.

The Acting Speaker (Mr. Kilger): Let me start over. The member for Churchill would have five minutes.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): Two minutes.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): I tried. The hon. member for Yukon would have 20 minutes and an hon. member from the Reform Party would have 20 minutes.

Some hon. members: Yes.

The Acting Speaker (Mr. Kilger): Or they could split the time into two 10 minutes and then I can call the question. Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): Resuming debate.

[Translation]

Mr. Duceppe: Mr. Speaker, the adjournment motion will be deemed to have been passed on June 23, is that right?

The Acting Speaker (Mr. Kilger): That is right.

[English]

Mr. Harper (Churchill): Mr. Speaker, I am very happy to agree to this. Of course we are I believe on Indian time.

Some hon. members: Hear, hear.

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The Acting Speaker (Mr. Kilger): We might be pushing our luck.

Mr. Harper (Churchill): I will just say that I recommend this bill to the members of the House of Commons. I hope that the Reform Party will support it because it is about Canada. It is about living together in this country and not trying to alienate each other. That is what we want.

I want to say that I have been honoured to speak on this bill and I hope the motion is carried unanimously.

The Acting Speaker (Mr. Kilger): I always thought Indian time was on the longer side rather than on the shorter side. I thank the hon. member for Churchill.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, first, I would like to thank the Bloc Québécois for their kindness in letting me speak on a subject that is very important to the Yukon and to the member for the Yukon, as well as for their support on these bills. I think that their support is very important and so was their contribution to this debate. We in the Yukon appreciate their support for these bills.

[*English*]

It is with pleasure that I rise today to speak on these bills that are so important to the Yukon and to the future of the Yukon. There has been much said in the House on this debate about giving something to Indian people. In fact these bills give a great degree of autonomy to the Yukon people, aboriginal and non-aboriginal. Certainly the land was never conquered when Europeans first came to the Yukon and elsewhere in Canada. The land was taken and assumed. It was never ceded.

What we are doing this evening is an extremely important historical event in that we as democratic members of Parliament in a democratic country are recognizing the importance of redressing those historical wrongs.

This legislation has been a long time coming, more than 20 years of frustrating negotiations. We have seen a couple of generations grow up during these negotiations and tonight, we have the fruit of that dedication and spirit. We have a living document, a testament to the will and the commitment of the Yukon people. This legislation not only rights the bitter wrongs of the past but holds the key to the future, a future to which all Yukoners both aboriginal and non-aboriginal can look with pride and with hope. This legislation is a celebration of the Yukon spirit, that determination to meet all challenges, to carry on despite all obstacles and to work together to achieve a common goal even when the way is not easy.

(1955)

The legislation is not the product of winners and losers. It is the product of many years of give and take and negotiation. It did not come easily. Each side had to cede on some of its

objectives. Sometimes that was hard to explain both to aboriginal people and to non-aboriginal Yukoners.

As the previous speaker said the legislation represents a real definition, an attempt to work together in a co-operative way and to show that different cultures can live together in a harmonious and, even more important, respectful way, respectful of each other's languages and cultures.

While we say the legislation was 21 years in negotiation, it might be more accurate to say that it was 92 years to this day, June 22, 1994. It was in 1902 that Chief Jim Boss spoke simply to the government about the need to protect the land of his people. He said: "Tell the King we want something for our Indians because they take our land and our game". With those simple words began the stand which has led us to where we are today.

Chief Jim Boss' people were those who had for thousands of years hunted, fished and raised their families. They had a government system, a structural system, a cultural system, a justice system and an education system that they had devised as First Nations people in Yukon.

Anthropological evidence indicates that in fact there were aboriginal people in the Old Crow area of Yukon at least 20,000 years ago. With the coming of whalers to Herschel Island, the stamperders to the gold fields of the Klondike and thousands of American army engineers building the Alaska highway, cultures, languages, land and traditions were lost or eroded. Children were taken away from their families to residential schools. Communities were weakened by disease. Clans were scattered. Wildlife populations decimated. Critical habitat destroyed or altered and sacred places forgotten. One wonders how any vestige of pride and dignity or any shred of heritage could have survived, but it has survived in the wisdom of the elders and in the hope for the future.

It was a little over 20 years ago that Elijah Smith, a Yukon Indian who had served his country in the second world war, came back to Yukon to fight for the rights of his people from within. It was Elijah Smith who 20 years ago travelled to Ottawa bearing a document entitled *Together Today For Our Children Tomorrow*.

This evening is historic because this is the evening of tomorrow. I say that no one in Yukon expects this solves every problem that will ever arise in Yukon; but it is an attempt to build on that spirit of co-operativeness and of communalism that is part of the aboriginal tradition and part of Yukon history where people have learned that co-operation is necessary for survival.

There are many important details in the legislation, both the land claims legislation and the self-government legislation that I will not review. They have been very thoroughly reviewed in committee as well as in the House. However I will review some concerns that have been raised. One concern often raised

particularly by the Reform Party is that of equality, that these agreements, these pieces of legislation, represent an inequity as opposed to something more equal. I fundamentally and profoundly disagree with that view. These pieces of legislation and the negotiations which led to them are based on very fundamental equality, respect and dignity of all peoples for each other.

(2000)

The agreements also recognize that all aboriginal communities are not the same. There are different cultures, different languages and different traditions even within Yukon. Therefore there must be a degree of flexibility to successfully implement and acknowledge those differences.

What is precedent setting? I have heard a great number of arguments about how dangerous these agreements are because they are precedent setting: we should all be very worried; we should be worried about apartheid; we should be worried about too many forms of government. It is quite the opposite. I think tonight is a night for rejoicing. The precedent set by these pieces of legislation is a very important one for the future of the country. The precedent is that different cultures or different linguistic groups can live together. They can do so successfully. They can negotiate to do so successfully and—this is the important precedent—they can do so within the context of Canada.

There was testimony given before the standing committee on aboriginal affairs by the governor of Yukon. It is important to note there was a strong consensus in Yukon to see the legislation go through. I have rarely in my years in the House of Commons, and indeed my years before I was in political life, seen a consensus of this nature. It was not arrived at 21 years ago. It took 21 years to arrive at this consensus, but we are at a point now in Yukon where we see the Yukon legislature passing unanimously, all parties including independent members, this companion legislation. We see as well the chamber of commerce, groups ranging from outfitters, mining associations to francoyukonnaise and other groups in Yukon unanimously supporting the passage of the legislation.

Questions have been raised about whether this was simply conducted behind closed doors. The previous government leader of Yukon in his testimony before the committee noted that during his government there were over 100 public consultations. The current government leader noted that they had many consultations with groups, with individuals and with communities and frequent discussions in every community of Yukon about the legislation as it proceeded.

The Council for Yukon Indians during this period also undertook extensive consultation. It had many general assemblies to

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discuss matters and to establish its negotiating position. It has been a long and arduous process. I believe it has been a fruitful process. In a sense two decades of Yukoners have learned that it will be necessary at times to compromise. In the end we will all gain from something of benefit to all of us.

The self-government legislation is extremely important as a companion piece to the land claims. Once and for all it throws off the cloak of colonialism and acknowledges that aboriginal people are competent to run their own affairs, can run their own affairs and will run their own affairs. In the past I have heard people say they really believe in it but that maybe people are not ready. The people of Yukon, the First Nations of Yukon, have been ready for a long time and now is the time.

(2005)

I would say as well that as we look at the implementation of these agreements, recognizing that there will be another agreement, the surface rights act, to be dealt with later in the session in the fall by this House, it will take all three pieces of legislation before a proclamation of these two pieces of legislation and that third piece of legislation.

I do want to mention in fairness that there are people in the Yukon who have some concerns about their negotiations in land claims and their future. I am pleased that the standing committee on aboriginal affairs has recognized the concerns of the Kaska Dena Council which has transboundary claims and other concerns and has agreed to monitor the negotiations with the federal government that have been agreed to and will be undertaken and that its concerns were taken seriously. For this I certainly congratulate the chair of the standing committee and members that their concerns were taken seriously and will be dealt with.

I suppose the essence of what we are doing here tonight, better than any words I would give or indeed anyone in this House might give, were given in testimony by Elder Matthew Tom to the standing committee on aboriginal affairs when he began his presentation and his prayer by saying: "We are here to hold hands not be separate". That is really what this is all about.

Sometimes I believe that people feel that we do not have to deal with history and if we just move on it will be forgotten. I believe that we all know that in life you cannot just move on, that you must deal with some of the tragedies of history in order to move forward into the present.

The words of Matthew Tom will always remain with me because it is the reason why I stand here in this House of Commons and that many Yukoners before me in politics and in First Nations have dedicated their life to this moment tonight.

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I understand that my time is nearly finished. I would conclude by saying that I would urge this House to unanimously support this legislation. It will show to Canadians that we understand that within Canada it is possible to recognize and respect our differences, our history and our traditions. I call on each member of this House to strike a voice tonight for that respect and for the future of our country.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I want to acknowledge that I will be sharing my time.

This is the first time I have had an opportunity to speak to this bill. When I first read the umbrella agreement on which this bill was based, I immediately had a number of concerns about the Yukon land claims agreements. I was concerned about the number, concerned about the fact that approximately 7,300 Yukon Indians out of a total Yukon population of 32,000 will receive collective ownership of 16,000 square miles which includes all the subsurface rights on 10,000 square miles and some subsurface rights on the other 6,000 square miles. I have to ask: What do the other residents of the Yukon think of these land claims agreements? What do they think?

In addition to a cash payment of almost \$250 million the Yukon First Nations will also receive rental revenues from surface leases and royalties from the development of non-renewable resources. Additionally, the Yukon First Nations will receive a preferential share in wildlife harvesting. What impact will these agreements have on access to settlement lands by non-native people? We are asking these questions. We have heard a lot of rhetoric today but we have heard very little about the details of this agreement and how it is going to impact on the residents of the Yukon.

(2010)

Will the Yukon First Nations allow hunters, trappers and fishermen on settlement lands and their much larger traditional territories? What is going to happen in that regard?

Another concern that I had was that there was no financial balance sheet accompanying these agreements, none at all. I was concerned that the federal government will still be obligated to make the same payments to the Indian people in the Yukon. My understanding of settling the land claims and entering into self-government agreements was that the financial obligations of Canadian taxpayers would be reduced as a result of these revenues that would be replaced by royalties and resource revenues.

What is the rationale for continuing to make increased annual payments to the Indian people under that kind of an arrangement? What control will the Parliament of Canada have over payment of taxpayers' dollars to the Yukon First Nations? Canadian taxpayers are asking Reformers these questions and I have yet to hear the answers.

I was concerned that if we passed Bill C-33 that future land claim agreements with the 10 remaining bands in the Yukon will not have to come before Parliament for debate. That is a concern. They can be approved by cabinet through orders in council. That is the process written into this whole agreement. I have to ask why the government is trying to avoid the democratic right of the Canadian people to examine all aspects of each and every land agreement in the Yukon. Why are they being denied that right?

Under clause 6 of Bill C-33 the rights contained in these land agreements are "recognized and affirmed under section 35 of the Constitution Act of 1982". Does this mean that the Yukon land claim agreements will now be entrenched in the Constitution? Are they now part of our Constitution? If they are entrenched how will they be able to be amended?

If we want to change those agreements at any time, how will that happen? Clause 13 of Bill C-33 makes the provisions of the Yukon land claims paramount over all federal and territorial laws. Is this really what the government has intended? Is this really what the citizens of Canada want or do the people want the laws of Canada to apply equally to all its citizens regardless of where they live? Why is the government trying to ram these bills through without being as up front with the Canadian people as they have been with the Yukon Indians?

Finally, I am very concerned about the precedent we might be setting by entering into these land claim agreements. Will the precedent set here apply to my province of Saskatchewan? Will it apply to Manitoba? Will we be asking these same questions a year or so from now relating to land claim agreements in all the other parts of Canada?

Will future land claim deals contain all the same provisions, transferring the same powers and law making ability, a proportional amount of land, the same control over resources, similar royalty provisions and so on? The list can continue. Will this set a precedent for all of those things? Will the arguments made in future court cases refer to the precedent set in the Yukon land claims agreement? Have we thought through all of this? I have heard a lot of rhetoric but I have not heard anyone address that. This is why the amendments that we tried to make are so important. We were shut down.

(2015)

The amendments that the Reform Party had proposed would have gone a long way to removing many of my concerns. The amendments proposed by our party would have answered many of the questions being asked not only by Reformers but all Canadians.

I was talking to some people from Halifax the other day and we were discussing the Yukon land claims and self-government agreements. The gentleman said that he had not heard anything about these agreements. The people of Canada know precious

little of what is happening here. They do not understand the impact that these agreements will have on their home provinces.

The government has the attitude that the quicker it can push this through the less waves it will make. It would rather not have the people know what is happening here today. I came to Ottawa to represent my constituents, to be their voice in Ottawa. I would not be doing my job if I had not raised their concerns in the House. We have to speak up.

They have similar concerns to the ones I expressed here today. I even heard from an elder. I know many of these people in Saskatchewan. Some of them are my friends and they have raised similar concerns to the ones I have raised here today.

People would rather not listen. They would rather not know what some of the grassroots native people are saying. They would like to hush it up. They would like to keep it quiet.

This is a key element in the process we see here today. This elder from one of the reserves in my constituency complained of the Mafia tactics used by Indian leaders to suppress the will of the grassroots Indian people. We have received many similar complaints from Manitoba.

Were non-native Yukon citizens given the opportunity to review and vote? Were they given the opportunity to review and vote on these agreements? People who do not know are answering but I do not hear the people who know. We are asking these questions to ensure that Parliament is signing agreements that the majority of Indian people and the majority of Canadian taxpayers will support.

These land claim agreements may or may not be able to be changed in the future, so it is vital that all of these important questions be answered before this bill is passed by Parliament. When this bill is passed there will be 10 more land claim agreements that will be passed without any further scrutiny by Parliament.

It is for this reason that Reformers want to take all the time that is necessary to examine, discuss, debate and amend this bill until we can get it absolutely right. I ask members to consider the process that is taking place here today. We have heard a lot of rhetoric but I have not heard many answers to these questions.

Finally, the question of native self-government was put to the Canadian people during the Charlottetown accord referendum and we all know what the people said. They said no, and yet this government went ahead.

The Acting Speaker (Mr. Kilger): Order. I wonder if the hon. member might assist the Chair. The first 10 minutes has lapsed and I am not clear whether it is an equal 10-minute split or if in fact, it is 20-minutes and the hon. member for Comox—Alberni will get the remaining time from the member for Yorkton—Melville.

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Mr. Breitreuz (Yorkton—Melville): In a total of 20 minutes, I have about a half-minute left.

The government has run roughshod over everyone. It is implementing a concept that was not debated and approved by Canadians.

(2020)

It is obvious this government does not even want this nation to debate this agreement. The people of Canada should be made aware of the fine print because really they are the ones who are a party to this agreement. It is between the Indians and the people of Canada.

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-33, especially given the limited amount of time this government has allowed for the debate.

This process that has taken place in the last 24 hours in this House has left me and many Canadians disappointed and disheartened. The same democratic principles that this House violated last night are ironically and also shamefully violated in this bill.

I view with suspicion and concern the intentions of this government when the members of this House are denied the opportunity to debate this bill fully and completely. It appears that this government is trying to restrict debate and rush this bill through to hide the controversial contents of this bill from the Canadian public.

This is the same strategy that the last government used a year ago in the Nunavut deal. Obviously this government has no intention to conduct business any differently than the last Conservative government. Indeed it has learned too well from its predecessors but seems to have forgotten the plunge to oblivion that closed door politics caused its predecessors.

Bill C-33 sets a dangerous precedent and as such the contents of this bill cannot be viewed too lightly. I suspect that many members on the opposite side have not even read the terms of this agreement let alone given it constructive review. If they had I question how they could remain silent for so long on this issue. How can the members in good conscience agree to railroading this legislation through the way they are doing?

There are many areas in this bill that need to be addressed and given careful consideration. Not only has this government moved closure on this bill but it also rammed the legislation through committee. This process increases the likelihood of any oversights. There has been little opportunity for honest discussion and debate on this bill as the government has made every effort to railroad it through the House at every stage of its passage.

There are many flaws in this bill that must be addressed before they become law. This bill contains a clause which allows future changes to this legislation to be made, guess what, behind

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closed doors. As it stands, Bill C-33 allows for future negotiations and amendments to be decided by cabinet alone. This is another dangerous precedent, not only with these negotiations but with future government negotiations.

Is this how the government intends to conduct its business? Is this the new direction of the Liberal government? This makes a very sad joke of the red book commitments of more and open democratic government.

Let me remind the government once again of its red book commitments and ask it to consider very carefully in light of this legislation. The red book says open government will be the watch word of the Liberal program. It is a shame that in reality these words are nothing but false promises.

Why is this government in this bill planning to do business behind closed doors at the cabinet level? It clearly conflicts with the red book commitment of open government.

Legislation should not be amended by a cabinet order. Legislation should be brought forward to this House, openly debated by each member elected here today.

The laws of Canada must be created through democratic procedures to reflect the democratic system of every Parliamentarian in this House. The creation of new laws must be carried out in a fair and, I remind the House, open manner. Each elected parliamentarian represents his constituents in every vote to create or amend laws.

In all fairness to the people of Canada who put us here today, every parliamentarian must be allowed to participate in this democratic process. This government has often lauded the principle that members are elected to represent their constituents' wishes in this House. However, cabinet on its own is not a democratic representation of the people and should not make legislative commitments.

(2025)

If we are to allow cabinet to change and revise law without the consent of Parliament then why have we elected 295 members of Parliament when we only need 15 cabinet members to run the country? Is this the kind of red book democracy that we have been hearing about? Canadians deserve fair representation and this means bringing legislation before this House for all members to consider and debate in this House before it is passed.

The scope of orders in council regarding future agreements is too large because this is little more than government by cabinet decree.

Additionally, there are several other areas of concern in this bill. For example, section 14 states that there shall be paid out of the consolidated revenue fund the sums that are required to meet

the monetary obligations of Canada under chapter 19. This is in the bill.

According to the revision of this section more than \$242 million will be allocated to the 14 native bands which have agreed to the umbrella settlement with the federal government. Yet this government has not yet determined what its financial obligations toward these bands are. This bill gives money to native government without any obligation, requirement or mechanism to ensure that the money is distributed fairly. Where is the financial responsibility?

When Canadians give their hard earned tax dollars to the government there is a measure of trust involved in the exchange. Canadians expect their government to be fiscally responsible and this section of the act clearly does not show that responsibility.

I am sure that the government is aware of the need for financial responsibility and financial accountability to the Canadian people. I believe that is another red book commitment. Yet in this agreement the government arbitrarily provides a settlement that will amount to some \$242 million and does not expect any financial accountability in return.

Every individual is financially accountable to this government at the end of each year. Each of us here is expected to fill out our income tax forms and account for our earnings. Government departments, federally and provincially, are all accountable to the people. Why then are native groups exempt from this? There must be a system of financial accountability entrenched within this bill.

Another area of concern is the section that gives the provisions of land claims or transboundary agreements still to be negotiated paramountcy over all federal and territorial laws. This means that these agreements and amendments to these agreements can supersede all laws of Canada. Federal and territorial laws must be paramount over all agreements in Canada. This should not even have to be a question. It should not even have to be discussed at this point.

There can only be one set of laws to govern the people of Canada. We cannot have one set of laws to apply to one group and another set of laws to apply to another. This is clearly a dangerous precedent. It sets up two nations. It sets one group of Canadians apart from the laws that govern Canada and another group of Canadians.

In summary, Canada is one nation. We must treat all Canadians equally under one law, not two or three sets of laws.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

Mr Gagliano: Mr. Speaker, on a point of order, I believe you would find unanimous consent to apply the vote that we took on Bill C-34 to Bill C-33.

(2030)

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is it agreed?

Some hon. members: Agreed.

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

*(Division No. 81)***YEAS**

Members

Adams
Allmand
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Baker
Barnes
Bellehumeur
Berger
Blondin—Andrew
Bouchard
Brown (Oakville—Milton)
Bryden
Caccia
Campbell
Caron
Chan
Cohen
Collins
Cowling
Debien
DeVillers
Dromisky
Duceppe
Easter
Fewchuk
Finlay
Gagliano
Galloway
Godfrey
Graham
Grose
Guay
Harb
Harvard
Hopkins
Iftody
Jackson
Jordan
Kirby
Kraft Sloan
Landry
Lastewka
Lebel
Leroux (Richmond—Wolfe)
Loney
MacLaren (Etobicoke North)
Maloney
Marleau
McCormick
McKinnon

Alcock
Anderson
Augustine
Bachand
Bakopanos
Beaumier
Bellemare
Bethel
Bodnar
Brien
Brushett
Bélisle
Calder
Cannis
Catterall
Clancy
Collenette
Comuzzi
Daviault
de Savoye
Discepola
Dubé
Duhamel
English
Fillion
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Godin
Gray (Windsor West)
Guarnieri
Guimond
Harper (Churchill)
Hickey
Ianno
Irwin
Jacob
Keyes
Knutson
Lalonde
Langlois
Laurin
LeBlanc (Cape Breton Highlands—Canso)
Leroux (Shefford)
Loubier
Malhi
Marchand
Massé
McGuire
McLaughlin

McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
Nault
O'Brien
Pagtakhan
Paré
Peters
Phinney
Pomerleau
Regan
Robichaud
Rock
Sauvageau
Shepherd
Solomon
Steckle
Szabo
Thalheimer
Torsney
Ur
Vanclief
Wappel
Whelan
Zed—153

McTeague
Mercier
Minna
Murphy
Ménard
Nunez
O'Reilly
Parrish
Peric
Peterson
Pickard (Essex—Kent)
Proud
Richardson
Rocheleau
Rompkey
Scott (Fredericton—York Sunbury)
Sheridan
Speller
Stewart (Northumberland)
Taylor
Tobin
Tremblay (Rimouski—Témiscouata)
Valeri
Walker
Wells
Young

NAYS

Members

Ablonczy
Breitkreuz (Yorkton—Melville)
Chatters
Duncan
Forseth
Gilmour
Grey (Beaver River)
Hanrahan
Hermanson
Hoepfner
Martin (Esquimalt—Juan de Fuca)
Meredith
Penson
Ringma
Scott (Skeena)
Solberg
Stinson

PAIRED—MEMBERS

Members

Asselin
Bertrand
Crête
Deshaies
Finestone
Gagnon (Québec)
Gerrard
Lincoln
Picard (Drummond)
Stewart (Brant)

Axworthy (Winnipeg South Centre)
Bonin
Dalphond—Guiral
Dumas
Fry
Gauthier (Roberval)
Lavigne (Beauharnois—Salaberry)
Maloney
St-Laurent
Verran

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the third time and passed.)

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Mr. Gauthier (Ottawa—Vanier): On a point of order, Madam Speaker. I have been trying to get your eye or your ear on this one.

I did not vote the last time because I was a bit late for the question. This time I would like to have my vote recorded with the government actually on both those bills.

The Acting Speaker (Mrs. Maheu): Do we have the unanimous consent of the House to modify the vote to include the hon. member?

Some hon. members: Agreed.

* * *

**DEPARTMENT OF CITIZENSHIP AND IMMIGRATION
ACT**

The House proceeded to the consideration of Bill C-35, an act to establish the Department of Citizenship and Immigration and to make consequential amendments to other acts, as reported (without amendment) from the committee.

Hon. Brian Tobin (for Minister of Citizenship and Immigration) moved that the bill be concurred in.

(Motion agreed to.)

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

Some hon. members: Agreed.

Mr. Tobin (for the Minister of Citizenship and Immigration) moved that the bill be read the third time and passed.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, I am very pleased to speak on third reading of Bill C-35.

First I want to thank all members of the House for their co-operation and goodwill in seeing the bill through. Although the Department of Citizenship and Immigration Act is essentially a housekeeping measure, members from all parties have offered some very thoughtful and helpful comments.

The bill has a straightforward and clear purpose: to provide a standard legislative basis for the Department of Citizenship and Immigration. The department now exists by virtue of Order in Council. For all its brevity and clarity the bill is significant for several reasons.

One of the Prime Minister's first decisions—perhaps the hon. member for Beaver River would like to listen—on assuming office last fall was to create the new department. All members know why he gave it this priority.

During the election campaign the Prime Minister spoke vigorously on the issue. Continuing to include immigration within a department of public security would send precisely the wrong message to Canadians and the international community.

The bill carries through on the principles of the red book where we called for a dynamic approach to immigration, balancing humanitarian considerations with our demographic and economic needs.

Under Bill C-35 the structure of the department will reflect that balanced approach. Joining citizenship with immigration has a compelling logic. It is a natural fit. To acquire citizenship is a significant step in integrating newcomers into Canadian society. It means making a personal commitment to Canada and understanding the requirements, privileges and responsibilities of becoming Canadians.

(2035)

Citizenship completes the process begun by immigration. The department believes that citizenship and immigration spring from the same common values and aims. My hon. friend from Hamilton—Wentworth put it rather well in the House the other day. He said that immigration is the body of this country and citizenship is the soul. So the department makes good common sense in the way it brings together the operational policy and promotional aspects of both citizenship and immigration.

The new department was created from parts of three others. Forging a common sense of purpose is not something that can be done overnight merely by order in council. Nearly 20 years ago the distinguished novelist and physicist C. P. Snow said that Canada has the finest civil service in the world today. I suspect that most Canadians do not realize it but it is a fact recognized by civil servants everywhere in the world. I hope that hon. members agree with me when I say that we want to be able to say that again, and sooner rather than later.

With a legislative basis staff can concentrate on even more efficient delivery of services, knowing that their careers can progress on the same terms as in any other department. More important, as the minister said in the House on second reading, the legislation modernizes and streamlines the government to meet the needs of Canadians and gives us the tools we need to deal effectively with the myriad complex issues of citizenship and immigration.

By taking programs, resources and responsibilities from several different departments and consolidating them in one department we make the government more accountable and more open.

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The department has a clear and logical continuum of responsibilities, stretching from the time someone applies to come to Canada to the time she or he takes on the obligations of being a citizen. These responsibilities include immigration applications, immigration levels and selection, federal-provincial relations on immigration, visa requirements, refugee matters, enforcement, settlement, citizenship applications and registration, and citizenship promotion.

Of course, citizenship does not end with swearing an oath and acquiring a document. In some ways it is only the beginning. That is why the new department will take a lead role in strengthening the values, identity and commitment required of all citizens, those who are born here and those who choose to come here. Citizenship, like immigration, is a two-way street.

This week marks the 125th anniversary of Canada's immigration service. Indeed, today is the day. This bill marks one more step forward in our country's evolving and progressive history of citizenship and immigration legislation. This legislation will establish the integrated and simplified framework we need to address the challenges and the tremendous opportunities offered by immigration and citizenship.

All members of Parliament recognize the need to overhaul our immigration policies and to consider the long term role of immigration and nation building. All of us recognize the need to improve the system. All of us know the importance of redefining and reinforcing our citizenship policies. All of us understand the profound effect that migration issues are having upon the world today.

This government has moved actively on these important matters and we will continue to move actively. We are doing so, I believe, with a real sense of co-operation from all sides of this House. As Canadians we need to think about immigration in a bigger way. We need to get a clearer sense of where we are going and what kind of country we are building for the future. We have to clean up the problems with our immigration system, to stop the small number of abusers who undermine the overwhelming majority of hard working and honest newcomers.

A Canadian author once said that the refugee is the every man and every woman of our time. We have to push even harder to ensure that the international community comes to grips with the problems confronting 20 million refugees every year, and especially the question of protecting women who are fleeing gender-based persecution.

[*Translation*]

The government has acted on this and it will continue to act and we do so with the co-operation of everyone in the House of Commons. With the legislation to establish the Department of Citizenship and Immigration, we will have the integrated and simplified structure that is essential for solving problems and

taking advantage of the tremendous opportunities for immigration and citizenship.

(2040)

[*English*]

This legislation establishes a modern, efficient and intelligent structure. With this structure we will be better equipped to introduce and carry through on fair and open policies to reunite families, offer safe haven for refugees, use immigration as a building block for economic growth and promote the concept and principles of citizenship.

The legislation is obviously not designed to lay out specific details of immigration and citizenship policies. What Bill C-35 does do is create a contemporary department that is best organized to carry out the policies we eventually agree on.

Madam Speaker, I began by saying that the legislation is short and straightforward and it is important.

[*Translation*]

I therefore urge members of the House of Commons to pass this bill without delay so that we can improve citizenship and immigration policies and thus contribute to our country's progress. This legislation is a step forward.

[*English*]

With this positive step forward Canada and all Canadians will benefit.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa): Madam Speaker, I rise this evening to speak in the debate on third reading of Bill C-35, an Act to establish the Department of Citizenship and Immigration.

Once again, as I already said on second reading, I tell you that I will vote against this bill, for almost the same reasons that I mentioned in my speech on June 13 in this House.

Since there was no written document explaining this complex bill, which amends several laws, I carefully reread the speech given by the minister when he presented it. Unfortunately, the minister gave no details or precise justification at that time. His long speech covered only generalities concerning citizenship and immigration policy and of course he again praised his government.

I agree with the principle of the bill and with merging immigration and citizenship in the same department. However, some people, myself included, question the department's name. Should it not be called the Department of Immigration and Citizenship and not the other way around? That is, should immigration not come before citizenship?

In fact, the tens of thousands of new arrivals who come to settle in Canada every year are immigrants first and then several years later they become citizens.

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The main reasons that I will vote against this bill are as follows. First, clause 4 of the bill says that “the powers, duties and functions of the Minister extend to and include all matters over which Parliament has jurisdiction relating to citizenship and immigration” and I emphasize the word “relating”.

Obviously, this provision is too vague and too broad. Immigration has always been a shared federal–provincial jurisdiction and Quebec has had its own department and its own minister since 1968.

Knowing the Liberal government’s centralizing designs and judging by the inroads already made in these past few months, I fear that the minister and the department will unduly infringe on provincial powers.

(2045)

I only mention the case of the COFIs here. In this House, we already denounced the minister’s attempts to impose on this typically Quebec institution the obligation to promote Canadian unity. What a clear example of meddling in a field of exclusively provincial jurisdiction like education!

The minister is required to respect the agreements signed by the federal government and the provinces, especially in Quebec’s case, where the Cullen–Couture agreement and later the McDougall–Gagnon–Tremblay agreement are very specific. I want to warn the minister and tell him that the Bloc Quebecois will never allow the minister or his government to meddle in fields of provincial jurisdiction.

I remind you that other laws, including the one passed recently on the Department of Revenue, have specified and defined the minister’s powers. Why was it not done in the bill under consideration? Another important provision is clause 5, which says that the minister, with the approval of the Governor in Council, may enter into agreements with any province, group of provinces or any agency thereof or with any foreign government or international organization, for the purpose of facilitating the formulation, coordination and implementation of policies and programs for which the minister is responsible.

We submitted an amendment to eliminate the word “agency” to the Standing Committee on Citizenship and Immigration. This is the only amendment that was accepted by the Liberal majority, since clearly the government must negotiate and sign agreements with the provincial governments which these agencies come under. We also proposed another amendment requiring the federal government to table the signed agreements in the House. Incredible as it may seem, the Liberal majority defeated this legitimate, very justified amendment.

The Liberals even voted against tabling the agreements signed by ministers with other governments and with international organizations. Nevertheless, the tabling of such agreements is a common, justified practice in the legislatures of all democratic countries, since such agreements sometimes pro-

vide for spending that the legislature is entitled to supervise, monitor and control. The minister and his department should be more open, especially because in his report for the fiscal year ending March 31, 1990, five fiscal years ago, the Auditor General of Canada devoted four chapters to all aspects of the immigration program.

He came to the conclusion that the information provided to Parliament and therefore to the public was incomplete and fragmentary. The other major objection that we have to this bill concerns clause 10, amending the Department of Multiculturalism and Citizenship Act. This provision gives the Minister of Canadian Heritage and his Secretary of State for Multiculturalism the mandate to promote the Canadian identity. This is a new mandate and we have trouble understanding why the minister added this to a bill which he said is only administrative in nature.

Why this urgency to promote the Canadian identity, if not to fight the sovereigntist movement on the eve of a provincial election in Quebec and a referendum to follow in 1995? Especially because when this government talks about Canadian unity, it denies or ignores the Quebec identity, for all practical purposes.

(2050)

Another consequence of this provision is that it increases the already existing confusion between the mandate of the Department of Canadian Heritage and the mandate of Citizenship and Immigration. Although this function should be exclusive to the Minister of Canadian Heritage, the Minister of Citizenship and Immigration has already begun to appropriate it by proposing new legislation on citizenship which according to him would be aimed at promoting both citizenship and important Canadian values.

Unfortunately, the minister is becoming increasingly obsessed by the issue of Canadian unity. In the process, he is just fanning the flames of controversy between Quebec and English Canada. This discussion is not at all unifying, as the minister seems to think. The failure of federalism is the failure of Canada as a confederation.

Last May the minister raised the rates for immigration services. For instance, an application for permanent residence for refugees, obtaining a visa, a minister’s permit, passport, and so forth, all of which creates a lot of problems for refugees who do not have the wherewithal to pay \$500 to obtain permanent residence.

Yesterday, the minister announced new financing measures for immigrant services which will come into effect in 1995–96. The government will not pay the social benefits of teachers who give language courses for new immigrants, although these benefits are included in their collective agreements.

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This decision affects many agencies that receive funding to offer immigrants certain services such as programs for immigrant settlement and adoption and language training programs for immigrants in Canada.

This decision will create a lot of problems for these agencies which are doing very good work, and for employees whose social benefits will be reduced.

On Monday, the minister tabled another bill, Bill C-44, to amend the Immigration Act, the Citizenship Act and the Customs Act. Under this bill, persons convicted of a major crime will no longer be able to claim refugee status to gain entry into or postpone their deportation from Canada.

We agree with these principles, but we want to look very closely at each and every one of Bill C-44's provisions. If necessary, we will move the appropriate amendments.

At this time, however, we would like to make some preliminary comments.

First of all, in my view, the Minister of Citizenship and Immigration has overly reacted to a very real problem, albeit one that is marginal and nowhere near as widespread as the Reform Party and the press would have us believe. I think the minister caved in too readily under the pressure and the sharp criticism voiced by certain Reform Party members.

To my mind, some of the provisions in this bill run counter to the Canadian Charter of Rights and Freedoms.

The bill also gives immigration officers the power to intercept and hold mail from abroad which could contain documents related to a person's identity, when the officers have reason to believe that these documents could be used for fraudulent purposes. Madam Speaker, do you not think that this provision clearly violates the principles and rules contained in the charter?

(2055)

It is our duty as elected members to fight prejudice and discrimination against refugees. As the people's elected representatives, we must show compassion and generosity, which are fundamental values of Quebecers and Canadians. With all due respect, I think that my colleagues in the Reform Party who sometimes make inflammatory statements are encouraging public intolerance towards immigrants.

I am extremely pleased that the vast majority of people I met in Alberta—I made two trips and visited Calgary, Edmonton and Banff—including lawyers, ethnic leaders and church members, do not share this approach of the Reform Party, which I consider anti-immigrant and anti-refugee.

I want to pay tribute to Edmonton's ethno-cultural association and to Calgary's multicultural centre for the wonderful work they are doing to integrate newcomers.

[English]

Twice I visited Calgary and met with a young Salvadoran who took sanctuary in the basement of a church. I showed my solidarity with this refugee. Unfortunately the refugee did not get shelter from the Reform Party. Fortunately now an understanding took place and this young Salvadoran is free.

[Translation]

I thank the pastors, university professors and professionals, as well as the Latin American community, for having helped this young Salvadoran who can now stay in Canada. I am proud of this Latin American community, which did such a marvellous job in Calgary for one of its brothers.

In closing, I want to emphasize, on the 125th anniversary of the first immigration program and of the first Immigration Act passed by Canada, the outstanding contribution made by the hundreds of thousands of immigrants who have enriched Canada and Quebec.

I also want to mention that I participated this past weekend in two very important ethno-cultural events in my riding of Bourassa, in Montreal North. First, a special event organized by the multi-ethnic community centre of Montreal North, which gave diplomas and honourable mentions to students who passed their French course. What a fine example of harmonious integration.

The second event I participated in was the gala organized by L'Ouverture youth centre, which gave awards to the best students of ethnic origin in each of the schools in my riding. Most of these students were of Haitian, Latin American and Vietnamese extraction. I commend L'Ouverture youth centre and particularly its director, Félix St-Élien, for this initiative and for excellent work promoting closer intercultural links among young people in Montreal North.

I take this opportunity to point out the efforts made by the Haitian community to solve problems and smooth their transition into Quebec society. Finally, I want to acknowledge warmly and express my deep gratitude to the thousands of volunteers and hundreds of organizations throughout Quebec and Canada that work so hard to provide settlement and integration services to our new fellow citizens.

(2100)

[English]

Mrs. Sharon Hayes (Port Moody—Coquitlam): Madam Speaker, I am pleased to rise today and contribute to the debate surrounding Bill C-35 on third reading. As members know the bill's intent is to establish the Department of Citizenship and Immigration, but in fact this bill is simply standard housekeeping material and no real meat.

My colleagues and I in the Reform Party would rather this government bring forward legislation that deals with some of the numerous problems our misguided Department of Citi-

Government Orders

zenship and Immigration faces. Further, I believe that the government must begin immediately to look at new specific goals and new hard nosed policies for this department, using as criteria the safety of Canadian society and the economic needs of our country.

At present this government is pursuing an immigration policy that will allow 250,000 newcomers into Canada this year. This represents about 1 per cent of our general population. What is the justification for this number? Where is the economic justification? The minister continues to claim that extensive consultations unprecedented in their scope and attendance has set this number. We in the Reform Party ask, what consultations? Who was in attendance? What views are being accepted?

Let me tell you about this government's method of consultation. In fact its consultations are basically centred around special interest groups, particularly those that have direct interest in the maintenance of a complicated, expensive and slow moving immigration process. In most cases this means a financial interest.

For example, it is estimated the processing of one refugee costs between \$30,000 and \$50,000. Do you believe that immigration lawyers who are consulted extensively during the minister's extensive consultation process are interested in streamlining determination systems? Not on your life.

What about the consultation material received from polls? What about the opinions of rank and file Canadians? We have heard these consistently. Over the last few years polls have shown that a majority of Canadians believe that there should be a decrease in immigration numbers, particularly during tough times.

However, the voices of Canadians are ignored in favour of listening to special interest groups with their own special agendas. Once again this government policy of higher immigration levels flies in the face of its infamous red book assertion that "people are irritated with governments that do not consult them or that disregard their views". The key word in that statement is people.

This is an interesting contrast to the broadsheet published by the Department of Citizenship and Immigration and distributed earlier this year which asks for input to the consultations which are supposedly under way right now. It states: "It is also important for information to flow from you and your group to the Minister of Citizenship and Immigration". Note the phrase you and your group. Notice how the request for written submissions to the consultations task force is not addressed to individuals but rather to groups.

What happened to the government's promise of consulting with the people on important issues? Where is the fulfilment of the red book promise? It is simply not there. It has not happened and will not happen because this government like the Tories is simply not interested in what ordinary Canadians have to say.

Of the 250,000 immigrants this year, only 18 per cent will be evaluated for their potential economic benefit to Canada. Accordingly the skill level and education level of immigrants in comparison to Canadian citizens has been declining over the years. However, the fiction of the red book refers to an immigration policy that considers economic needs and our ability to absorb and settle immigrants.

These Liberal election promises are in clear contradiction with their current policy of a 1 per cent ceiling and their current policy that only 18 per cent of immigrants will be screened for economic benefits. How does our current immigration policy deal with Canada's economic needs or our ability to settle immigrants? It does not.

In addition, after much pressure this government recently introduced a bill to partially overhaul the outdated workings of the immigration and refugee board. However, even with these partial amendments there are still fears that the IRB will continue in its fumbling ways in creating a huge backlog of cases and by putting Canadians at risk by not deporting criminals. The present Minister of Citizenship and Immigration when in opposition on June 22, 1992, commented on the system of removal. He lamented about people who get refused and then not get deported at the end of the day. He said "even the people who were denied were not deported in the end".

(2105)

In actuality very few people are removed. This limp-wristed approach to deportation has continued under the present minister's guidance. The lack of exit controls and the staying of removal orders by the IRB has resulted in a system of deportation that is inefficient, inept and creates a huge economic liability to the Canadian people.

Last year the IRB in its wisdom granted 147 conditional stays of between two to five years to those under removal orders. Most disturbing of all, 145 of the 147 had criminal records. They range from drug offences to manslaughter to sexual assault.

The operation of the immigration and refugee board is a travesty. With 250,000 immigrants arriving each year perhaps the minister should undertake to discover why the IRB believes that Canadian citizens need the company of 145 known felons.

Recently an individual with an extensive criminal record was granted a five-year stay by the IRB and was involved in the fatal shooting of a woman in Toronto in April. Just today there was a funeral in Toronto. That is because a few days ago a metropo-

litan Toronto police officer was killed and his partner wounded in a gun battle with an individual who was ordered deported three years ago.

With people waiting in line for years to immigrate to Canada why does the IRB quash deportation orders of known criminals and why does the department fail to execute deportation orders? I believe the minister should endeavour to find out, and I believe he should apply his words of June 22, 1992, to the workings of his own department. The system is clearly breaking down.

Canada must cease to become a haven for immigrants and refugees who were involved in criminal activity. While we will continue to welcome genuine convention refugees, we must strive for an immigration policy that is driven by the economic needs of our great country.

The average annual number of immigrants admitted to Canada over the last 25 years has been approximately 150,000. This should be our starting point. Then based on the health and the needs of the economy this number could be adjusted, up or down. Undoubtedly because of the immigration policies that are driven by special interest groups the government will denounce such a strategy.

Quebec with its controls of its own program of immigration has decided that it will be cutting back and accept only 16 per cent of all newcomers to Canada this year. What is its reasoning for this? Is it its economy, of course, a very fundamental reason I believe.

Its economy is too sluggish and too weak at the moment to absorb and settle immigrants. To quote the red book again: "If a province is utilizing this strategy why is it so incomprehensible to suggest we can use a similar strategy on a national basis". The Reform Party's position is clear. Any immigration policy must be based on the economic needs of our country. What could make more sense?

Finally, this government must reform our system of removals and deportation. Criminals and bogus refugees are being granted stays by the IRB. This must cease immediately. This policy in fact is to the detriment of legitimate immigrants, legitimate refugees, and to the detriment of the Canadian taxpayer who must fund legal representation for these people either before a never-ending string of immigration appeal boards or before a judge in the criminal justice system.

Without real reform to the immigration policy and the workings of the Department of Citizenship and Immigration Canada's economic recovery will most assuredly continue to be weakened and the safety of Canadian streets will most assuredly continue to be compromised.

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This is not a time for simple housekeeping initiatives. This is a time to stop listening to special interest groups and start listening to the Canadian people. The Reform Party fully intends to be this government's worst nightmare on immigration policies until constructive, sensible and economy driven reforms are made to Canada's immigration programs. They can go to the bank on that promise.

(2110)

I would like to address briefly the fact that I am appalled closure would be used on a housekeeping bill such as this one. I would simply quote the member for Kingston and the Islands:

I want to start by talking about the fact that the government is using time allocation once again on this bill. Just to remind the House and the Canadian public of the Draconian approach this government takes to dealing with legislation in the House—

Those were the comments of the member for Kingston and the Islands in February 1993.

In May 1991 the member for Ottawa—Vanier stated:

That is far from being democratic. Here we have an abuse of power by the majority because the government happens to have the numbers and it can impose upon the minority a process which, to say the least, is objectionable.

On May 29, 1991 the member for Kingston and the Islands stated:

A new definition of democracy—I suggest that it is contrary to all the practices of this House for the last 124 years. It is a breach of the proprieties of this place. While the Speaker has ruled that the motion is in order, and I respect that ruling, I suggest that it is—morally wicked of the government to proceed with this motion and particularly then to apply closure to the motion and thereby curtail debate on it.

On May 29, 1991 the member for Winnipeg St. James stated:

If there is going to be any debate, it will not put up with it very long, because it has a Draconian device, a Draconian mechanism called closure. If you deign and if you dare say anything in opposition to the government's proposals or to its motions, it will cut you off.

Finally on March 24, 1994 the leader of the government in the House of Commons stated:

Mr. Speaker, I said on behalf of the government it will be found over the life of this Parliament that this government will be using time allocation and closure far less frequently than its predecessor.

Four times in one night. He continued:

I challenge the opposition House leader to raise this again after a few years and see if I am right.

Perhaps after a few years it will be raised again. This housekeeping bill is no excuse for closure, but I will take this opportunity to close my address as one of the last speakers before the summer adjournment of Parliament.

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

Some hon. members: Question.

Private Members' Business

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

Some hon. members: Agreed.

An hon. member: On division.

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

Mr. Milliken: Madam Speaker, I think you will find unanimous consent to change the position of item No. 1 on the order of precedence under Private Members' Business and make it item No. 8 and to move item No. 8 to position No. 1.

For Your Honour's information item No. 8 is Bill S-3. Having made that exchange I think you will find unanimous consent to dispose of Bill S-3 immediately at all stages.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent to adopt that suggestion?

Some hon. members: Agreed.

PRIVATE MEMBERS' BUSINESS

[English]

GENERAL SECURITY INSURANCE COMPANY OF CANADA

Mr. Nick Discepola (Vaudreuil) moved that Bill S-3, an act to authorize General Security Insurance Company of Canada to be continued as a corporation under the laws of the province of Quebec, be read the second time and, by unanimous consent, referred to committee of the whole.

(2115)

(Motion agreed to, bill read the second time, considered in committee, reported, concurred in, read the third time and passed.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Madam Speaker, in view of the excellent progress in the House today we are not going to call any further government business.

On behalf of the government House leader and the members of the House leadership team on this side of the House, I want to thank the occupants of the Chair for their co-operation this day, the table officers of the House and the pages of the House who were thanked by the Speaker earlier today.

Some hon. members: Hear, hear.

Mr. Milliken: I also want to thank the members of the House leadership teams on all sides and indeed all the members on all

sides of the House for their forbearance, patience and co-operation today.

I realize that for some it has been a slightly difficult day but I appreciate the co-operation and spirit that has pervaded the House through virtually the entire day and it is similar to that which has pervaded the House through this session so far.

I want to also wish all hon. members a very happy summer holiday because with the motion that we adopted earlier the House, when it adjourns this evening, will be adjourned for the summer. We have no need to sit tomorrow and I am pleased at this time to move:

That the House do now adjourn.

Mr. Hermanson: Madam Speaker, on a point of order, I want to follow the hon. member for Kingston and the Islands in agreeing that the last couple of days indeed have been difficult. I also want to assure this House that despite some rumours I have heard to the contrary Reformers were prepared to stay and debate business until tomorrow night at 10 o'clock.

Apparently there are other members in this House who prefer to go golfing, camping or campaigning in Quebec. However, I too wish to thank on behalf of my colleagues in the Reform caucus the pages and the table staff of the House for the excellent support we received.

Some hon. members: Hear, hear.

[Translation]

Mr. Duceppe: Madam Speaker, I too want to thank the entire team of pages, everyone who works in the Speaker's office, and the government, with which we have worked well in the last two days and a bit before, and I thank the Reform Party for making an effort and agreeing to adjourn this evening.

[English]

The Acting Speaker (Mrs. Maheu): Since I was not here when the Speaker had the chance to thank the pages, I would like to say how much I have enjoyed working with all of you. Thank you very much.

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

Some hon. members: Agreed.

(Motion agreed to.)

The Acting Speaker (Mrs. Maheu): It being 9.22 p.m., pursuant to order made earlier this day, this House stands adjourned until Monday, September 19 at 11 a.m., pursuant to Standing Order 28(2).

(The House adjourned at 9.22 p.m.)

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