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Wednesday, December 7, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Wednesday, December 7, 1994

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

SAINT JOHN WEATHER OFFICE

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I have recently been informed that Environment Canada has decided to move the Saint John weather office to Fredericton, New Brunswick.

I believe this change will have a wide-reaching negative impact on the city of Saint John. Because of the government's decision the Saint John city works department supervisors who plan snow removal for the next day will have to base their decision on a forecast from Fredericton which is 60 miles inland or else rely on the local forecast that may be five hours old.

Having up to the minute forecasts is critical to the Saint John works department, schools, the airport and our port. Saint John has a reputation for having its own unique weather. For example fog which can occur without warning and certainly is undetectable from Fredericton, New Brunswick.

I ask the Minister of Environment for safety's sake to reconsider this decision and return full meteorological service to Saint John, New Brunswick.

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VIOLENCE

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, yesterday in this House we remembered the fifth anniversary of the tragic death of 14 young women at l'École polytechnique in Montreal. We strongly emphasized the need to end violence against women.

All violence is an assault on the sanctity of human life and the thief of personal dignity. Whether this violence occurs in the home or on the street, whether it is directed at men, women or children, it abuses the soul and violates the body.

Human beings have the potential for immense noble acts while at the same time we can be immensely cruel. By a single word we can make our neighbour feel like a king or a pauper. By a single act we can create life or destroy it.

I call upon all members of this honourable House to enhance their efforts to end not only violence against women but violence against all people.

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[*Translation*]

MICHEL TREMBLAY

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, last Saturday, the Mouvement national des Québécois et Québécoises presented one of Quebec's most noted authors, Michel Tremblay, with the 1994 Silver Medal.

A prolific writer, Michel Tremblay is one of a short list of Quebec playwrights whose works are played on all five continents.

Approximately 100 artists from Quebec paid tribute to the recipient in a skilful production directed by André Montmorency.

At the end of this magnificent evening, Mr. Tremblay impulsively, and with characteristic generosity, dedicated his award to our leader, Mr. Bouchard.

Louise Laurin, the president of the movement, said that the tribute being paid to Michel Tremblay that evening was in recognition of the generous contribution of the author to the development and dissemination of our culture. Thank you, Michel Tremblay.

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[*English*]

PEACEKEEPING

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the defence review has acknowledged that Parliament needs to have criteria in place for peacekeeping missions, criteria like when should a mission be undertaken, what are the goals for our peacekeepers and more important, when should Canada withdraw.

The lack of criteria has resulted in the distressing capture of 55 courageous Canadian peacekeepers in the former Yugoslavia. The government dithers on while the UN mission becomes the

S. O. 31

laughing—stock of the world and our soldiers are held hostage by armed forces intent on finishing their war and not contributing to peace.

Today I will introduce a private member's bill called the peacekeeping bill. It would require the government to pass a resolution in this House before a peacekeeping mission starts. The resolution would lay out the goals, duration and maximum cost of the mission. Once the resolution expired, troops would be withdrawn or a new resolution passed to continue the mission.

A peacekeeping bill would allow Parliament to ask the hard questions before peacekeeping missions begin and help to secure the lives of our peacekeepers.

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INTERNATIONAL CIVIL AVIATION ORGANIZATION

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, today is the 50th anniversary of the International Civil Aviation Organization, ICAO.

As the only United Nations agency with headquarters in Canada, it covers the bilateral international accords governing landing and access rights and passage through air space, control of aerial piracy, illegal diversion of aircraft. It also covers issues of hostile military action against civil passenger aircraft as with the Korean Airlines incident of 1983 and the Iranian Airbus incident of 1987.

As a former director of the McGill University Institute and Centre of Air and Space Law, I salute ICAO and its mandate for the freedom of the air and politically secure and economically viable international air transportation.

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DRUNK DRIVERS

Mr. John Maloney (Erie, Lib.): Mr. Speaker, I recently spent two days at the international border crossing at Fort Erie in my riding. I observed the operation of our hardworking customs and immigration officers and discussed various issues with them.

After spending some time observing the procedures on the primary inspection line during the evening shift I became concerned about the lack of sobriety of motor vehicle drivers returning to Canada from the United States.

The public fully expects that our Canadian roads are to be protected from drunk drivers and are of the opinion that our customs officers have the right to detain such individuals. The reality is that our customs officers have no such authority. The inability of our border personnel to lawfully detain suspected

intoxicated drivers or demand that they submit to a breathalyser test is unsatisfactory.

(1405)

I ask the Minister of Justice and the Minister of National Revenue to reconsider the powers of our customs officers with a view to correcting this unacceptable situation.

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JUSTICE

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, the recent decision by the Supreme Court of Canada that drunkenness is a defence for rape has led to cries from Canadians for a change in these laws. These cries have grown louder in recent weeks as we have seen a number of cases in which individuals have successfully used the drunkenness defence to escape conviction for the horrendous crime of sexual assault.

I have been contacted by a number of my constituents who are upset and disillusioned with the Supreme Court of Canada's decision. I share their concerns and their outrage.

On behalf of my constituents I would like to inform all members of this House that the people of Brampton support the introduction of new legislation which will ensure that individuals who commit a serious crime serve the time, whether or not they have consumed alcohol.

It is up to every member of this House to ensure that the outrage which Canadians feel is promptly translated into new legislation.

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[*Translation*]

INTERNATIONAL CIVIL AVIATION ORGANIZATION

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, the international civil aviation organization, or ICAO, the only UN agency based in Canada and one of its oldest components, is celebrating its 50th anniversary today in the presence of the UN Secretary-General, Boutros Boutros-Ghali.

Based in Montreal, like more than 30 other international organizations, including the International Air Transport Association and the secretariat for the Montreal Protocol Multilateral Fund on Substances that Deplete the Ozone Layer, ICAO exemplifies the vitality of Quebec's chief city internationally.

It is this internationalism that the federal government was forced to recognize last winter by allowing the head office of the NAFTA environment committee to be based in Montreal. Dynamic, cosmopolitan and open to the world, Montreal will make a proud chief city in a sovereign Quebec.

[English]

[Translation]

SEXUAL ORIENTATION

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, there has been much debate about sexual orientation and issues concerning the rights and status of gays and lesbians in our society. I believe that there are two parts to this issue. The first is a matter of discrimination and the legal rights of the individual; the second is group rights.

I personally support the addition of sexual orientation as a prohibited ground of discrimination in the Canadian Human Rights Act providing that sexual orientation is defined as homosexuality, heterosexuality or bisexuality.

Canadians must decide whether or not they want to give same sex relationships the same rights and benefits as heterosexual relationships. Personally, I do not support granting gay and lesbian couples the same status as heterosexual couples with regard to marriage, adoption and common law rights.

A spouse should continue to be defined as a member of the opposite sex and the family defined as those related by blood, adoption or marriage.

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EAST TIMOR

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, today marks the 19th anniversary of the Indonesian invasion of East Timor. Since 1974, over 200,000 people, one-third of the population, have died in the genocide. Recent reports indicate that the repression continues with acts such as shutting down key media outlets, banning trade unions and arresting union leaders.

At the recent APEC summit, Canada managed to secure a number of important contracts but the silence on human rights abuses was deafening.

The situation in East Timor received international attention during the APEC meeting, but with the international spotlight gone the Indonesian government can continue to repress the people of East Timor.

It is imperative that pressure be put on now. Canada should end its arms sales to Indonesia and support an international embargo. We should put pressure on the Indonesian government to release all political prisoners, in particular Xanana Gusmao, leader of the independence movement. Canada should support independence and self-determination for the people of East Timor and show full respect for UN Resolutions 389 and 384.

PARTI QUEBECOIS

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, yesterday, the Premier of Quebec tabled his so-called draft bill on Quebec independence. The object of this exercise is to rush Quebecers into an empty debate on what an independent Quebec state would look like, without even knowing if they are in favour of this ill-advised venture. This bit of trickery amounts to putting the cart before the horse.

Given the fragile mandate which the Parti Quebecois received in the last provincial election, I can easily understand why the separatists do not dare ask the only question that counts: Do you want to stay in Canada, yes or no?

Despite the games being played by the Parti Quebecois, I have no doubt that Quebecers will choose to remain and continue to grow in Canada.

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(1410)

RADIO STATION CJEM

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, radio station CJEM in Edmundston, New Brunswick, is celebrating the 50th anniversary of its founding; it started broadcasting 50 years ago.

Under the direction of its founders, CJEM has been a source of relevant information and entertainment for the local population since December 4, 1944. CJEM was also the first French-language radio station in the Maritimes, which illustrates very well the vitality and creativity of the people in my riding and their interest in promoting the French fact.

I extend to them my sincere congratulations on their 50th anniversary and wish them continued prosperity in the years to come.

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CHILDREN FOR PEACE

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib.): Mr. Speaker, I am proud to rise to thank over one hundred children from my riding who sent me drawings, as well as messages of peace, hope and friendship.

These touching messages come from pupils in grade two at École Saint-Paul, Maria, in grade four at École Père-Pacifique, Pointe-à-la-Croix, in grade one at École Bourg, Carleton, and in grade four at École Bois-Vivant, New-Richmond. Their drawings convey messages such as: "Every child has a right to

S. O. 31

be protected”, “I want children to live in love”, and “Let us make sure fewer children die very young”.

It is my hope that these messages will inspire all young Canadians, at a time when we are debating the gun control issue and on the day after the sad anniversary of the killing of 14 young women at Montreal’s École polytechnique. Fortunately, these drawings are a source of hope for a better future.

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DRAFT BILL ON SOVEREIGNTY

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, yesterday, the Quebec Premier unveiled his proposed sovereignty plan to Quebecers. The process is characterized by a deep respect for the democratic principles in which Quebecers firmly believe.

The fact that those who patriated the Constitution in 1982 without Quebec’s approval and those who concocted the Charlottetown referendum without any mandate from Canadians are now criticizing a transparent and legitimate process is confirmation that cynicism never killed anyone.

In 1990, the Parti Québécois agreed to participate in the Bélanger–Campeau Commission, even though the Liberal government had no mandate and the conditions were far from equal for all involved. The difference is that the PQ had convictions and a vision to propose.

Today, the sovereignists are in control. They want to invite all Quebecers to participate in the process. The federalist parties are free to boycott it. As for us Bloc Québécois members, we will listen to Quebecers and build a country that reflects who we are.

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[English]

WESTERN ECONOMIC DIVERSIFICATION

Mr. Cliff Breitzkreuz (Yellowhead, Ref.): Mr. Speaker, western economic diversification boasts about how many jobs it has created since the Tories invented the program in 1987.

Forget about the millions of dollars in write-offs and grants. There is one shining star that western diversification can trumpet about and he is Iain Williamson. Who is he, the Liberals might ask. He is a man who some would define as a real entrepreneur. He saw a unique opportunity created by federal government largesse.

Williamson wrote the book entitled: *Your Guide to Government Financial Assistance for Business in Manitoba*. You guessed it. He writes about finding taxpayers’ money for your business. If you run a small business and are in receivership or

default of a loan, don’t worry, be happy. Just apply for the small business financing program.

Yes, the Liberals should be proud that they have created one good job by giving Williamson lots to write about.

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CANADIAN WHEAT BOARD

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the election last week of the Canadian Wheat Board advisory committee was a clear victory for those supporting the principles of orderly marketing.

Ten out of eleven candidates running won for the pro-board side. That is the highest number of candidates on the pro-board side ever elected. It comes at a time when promoters of the open market dual marketing system so-called were sowing seeds of misinformation on the board and trying their hardest to undermine orderly marketing. Some even supported tactics of breaking the law. It goes to show that the rhetoric and publicity tactics of the anti-board groups are just that, rhetoric but no substance and little support. Every wheat board permit holder had the right to vote in this election. The evidence is in. Congratulations. The government must now continue to support and strengthen the Canadian Wheat Board.

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(1415)

SMALL BUSINESS

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, on behalf of small business owners in Vancouver South I congratulate the Minister of Industry for the bold measures which he has introduced for Canada’s small business community. Through those measures outlined in “Building a More Innovative Economy” the minister has managed to strike the necessary balance between less government and better government; less government in areas like regulation, taxation and paperwork, and better government in areas like procurement, trading opportunities, business training and transportation.

I hope that a careful reading of the minister’s plan will demonstrate to all members of this House that a vibrant economy is built on a well thought out and proactive plan. It can never be achieved through a simple minded slash and burn policy as promoted by members of the Reform Party.

During the election campaign we promised to make small business the centrepiece of our economic strategy. With the release of this plan I am proud to see that this government has kept yet another election promise.

*Oral Questions***ORAL QUESTION PERIOD***[Translation]***DRAFT BILL ON SOVEREIGNTY**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday, the Premier of Quebec announced his government's approach to the referendum and invited Quebecers to a wide-ranging debate on their political future. The Deputy Prime Minister called the draft bill on Quebec's sovereignty a fraud and an illegitimate, undemocratic manoeuvre.

How can the Deputy Prime Minister call this draft bill illegitimate when it fully respects the provisions of Quebec's referendum law, the same one under which referendums were held in May 1980 and in October 1992 on the Charlottetown Accord?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, in our opinion, neither the form nor the content of the draft bill presented yesterday complies with Quebec's referendum legislation, which requires parity among the parties. As Mr. Johnson clearly showed yesterday, Mr. Parizeau's law does not provide for regional commissions where the various parties are represented equally. As for the substance, once again, they talk about the process even before the consequence of the process leading to separation has been put to a referendum.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, are we to understand that the federal government refuses to participate in the process initiated by the Government of Quebec because the Prime Minister of Canada and his government have nothing to offer but the constitutional status quo, which they know is rejected by a very large segment of Quebec's population?

Some hon. members: Hear, hear.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, what we have to offer is a federalist option which is clearly supported by most Quebecers.

Some hon. members: Hear, hear.

Mr. Massé: It is clear that well over 60 per cent of Quebecers oppose separation and it is also clear that if they are given a clear, honest question, the great majority of Quebecers will support the federalist option.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, you will agree that it is harder and harder to define what the federalists are proposing, since the Prime Minister talks about a fixed

status quo and the federalist spokesman in Quebec, Daniel Johnson, talks about renewed federalism.

How can the Minister of Intergovernmental Affairs justify his government's refusal to get involved in this debate? Are they so afraid of presenting Quebecers with a real debate on the two options: sovereignty or their status quo?

(1420)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, speaking of returning to models from the past, we can very well ask the opposition why they talk about economic association.

That being said, the federalist option is not only closest to what Quebecers want but is also the one we intend to defend when the referendum will be called. There must be not only a separatist option but also a federalist option. The federalism which we propose is flexible; it is a federalism that works. In the last year, it produced 63 agreements between the federal government and the various provinces, including 8 with Quebec. What the opposition shows us is that it is not prepared to co-operate for the good of Quebec through proper relationships between the federal government and the government of Quebec.

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

In response to the draft bill tabled by the Government of Quebec yesterday, the Deputy Prime Minister stated, and I quote:

[English]

"We do not intend to play that game. We intend to ask the people of Quebec a very clear question: Do you want to stay with Canada or do you want to separate?"

[Translation]

By saying this, she implied that the federal government might again conduct its own referendum to ask Quebecers to decide on their political future.

Could the Deputy Prime Minister tell us whether her government still intends to conduct its own referendum on the sovereignty of Quebec, thus bypassing the National Assembly?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, what I said yesterday and what I am saying again today is that if the Premier of Quebec intends to be frank with the people and if he is not afraid to act on his principles, the referendum question in Quebec will be quite straightforward: Do you want to separate from Canada, yes or no?

Oral Questions

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Deputy Prime Minister has therefore not excluded that possibility, although the federalist leader in Quebec, Daniel Johnson, made it quite clear yesterday that it was up to Quebecers and Quebecers alone to answer this question, in a process initiated by the National Assembly of Quebec and not by the federal government.

Nevertheless I would like to ask the Deputy Prime Minister if by excluding any federal participation in the consultation process, she means that a federal strategy is already in place and will be limited to spending tens of millions of dollars to sing the praises of Canada, as was the case in 1980.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in fact, the only political party that is not playing fair at present is the Parti Québécois.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday the Quebec government began to put forward in legislative terms its vision of a sovereign Quebec. Canadians are now expecting the federal government will be putting forward in clearer terms its vision of the federalist option which can be used to counter separatist sentiments in Quebec and to challenge discontented federalists across the country.

Can the Deputy Prime Minister share briefly with the House the essence of the federalist option with which the government proposes to counter the narrow separatist vision?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Prime Minister and the Government of Canada will pursue the option that we have pursued for the past year and that is challenging the status quo, being prepared to move on areas like social policy reforms in areas that are desperately needed; being prepared to move to get our financial house in order so that we meet our 3 per cent of GDP objective.

We propose to convince Quebecers that Canada is a pretty good place by providing good government.

(1425)

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if the government is not prepared to be visionary at least it must have given some thought to the principles that would guide its reactions to separatist initiatives.

For example, the charter says that Canada is founded upon the principle that recognizes the supremacy of law. If that principle is to guide federal government reactions then at least it should be willing to put forward an opinion on the legality or illegality of separatist initiatives.

Can the Deputy Prime Minister at least tell the House as a bare minimum what principles will guide federal reactions to separatist initiatives?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the guiding principle of the Government of Canada is that we have an obligation to all the people of Canada to keep this country together and we are going to fight very hard to ensure that every Canadian shares in the wealth and the greatness of the greatest nation on earth.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the inadequacy of the Deputy Prime Minister's response simply illustrates our concerns. It would appear that the federal government after having had a year to think hard on this issue is making up its responses as it goes along.

Do these half baked political answers actually represent the best thinking of the national government on the most profound challenge that a federal administration can face?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it is the intention of the Government of Canada to support the objectives of this great nation at every turn. It is the objective of the Government of Canada to encourage all opposition parties that believe in Canada to work with us in building this great nation. Do not work with the opposition, whose sole objective is to destroy it.

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[*Translation*]

BOSNIA

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

Faced with the bitter failure of the efforts deployed by the international community to bring to an end the conflict in Bosnia, France and the United Kingdom went one step further today towards a pullout of troops from Bosnia, when they asked NATO and the UN to examine the conditions of an eventual withdrawal of their contingents of peacekeepers.

Is the Deputy Prime Minister in a position to report on the progress of the ongoing negotiations and tell us whether the Canadian government is also contemplating the pullout of its own peacekeepers?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Prime Minister has made it clear that we are not prepared to withdraw our troops from the former Yugoslavia unless the arms embargo is lifted.

Oral Questions

We believe the situation is extremely volatile. We believe that we, the members of UNPROFOR, the United Nations in ex-Yugoslavia, continue to discharge our mandate.

We are concerned with reports from some of our allies about a precipitous withdrawal. Obviously, and this has been raised before in the House by other members, NATO has plans that are being worked on should there require a withdrawal of forces. At the moment that is not Canada's position.

Next week there will be the regular defence planning committee meeting in Brussels which I shall attend, as will General de Chastelain, chief of the defence staff, and some of these questions will be explored in greater detail.

[Translation]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, does the Minister of National Defence not recognize that the potential withdrawal of UNPROFOR peacekeepers from Bosnia would be, as mentioned earlier, catastrophic, both in military and humanitarian terms, for the government forces and the civilian population of Bosnia? Can he tell us what alternative Canada intends to propose to the member countries of the contact group?

[English]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we share the hon. member's analysis. The Prime Minister has been quite explicit on the point that if the United Nations forces were to leave Bosnia and Croatia in light of the conditions of the last few weeks this would cause a great deterioration of the situation and we believe the bloodshed would be considerable.

(1430)

That is the reason why Canada has steadfastly maintained that the only way out of this morass is for the warring parties to agree to continue negotiations, whether that be done through proposals submitted by the contact group or others or under the auspices of the UN in general.

The only way out of this situation is for the international community to negotiate with the warring parties in Bosnia and Croatia so we can bring some kind of stability to the region.

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[Translation]

REFERENDUM ON QUEBEC SOVEREIGNTY

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, last night, on the TV program *Le Point*, the Minister of Intergovernmental Affairs said that if the referendum question in Quebec is not an honest question on Quebec separation, the federal gov-

ernment would consider holding its own referendum and asking its own question. He said: "I imagine that we would then have to ask that question ourselves".

Can the minister confirm to the House that a referendum is indeed an option for the federal government?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, although the federal government does not want to hold a referendum in Quebec, the referendum question must be a clear and honest question whose results will be meaningful. In our opinion, there are only two options: flexible federalism and separation. We expect the referendum to ask that question.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I asked a question on options and I take the minister's answer to be "yes".

[English]

The minister will know that the matters raised in the Quebec sovereignty bill are of deep concern to all Canadians and through this Parliament are under the jurisdiction of all Canadians. Will the minister confirm for the House that the government's referendum options include the option of a national referendum?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I will repeat my answer.

The federal government does not want to have a referendum in Quebec. We expect the referendum that is going to be held in Quebec will be a fair referendum that will ask the question clearly. That question is: Do Quebecers want to separate or do they want to stay in Canada?

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[Translation]

REGISTERED RETIREMENT SAVINGS PLANS

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of Finance.

While the minister accuses the Bloc Québécois of creating a climate of uncertainty on RRSPs, last Friday the *Financial Post* mentioned that the minister is considering imposing a one-per-cent tax on the assets of \$500 billion held in pension plans and RRSPs.

Will the minister confirm that imposing this hidden tax of five billion dollars on assets in pension plans and RRSPs could eventually reduce by 24 per cent the value of these retirement funds?

Oral Questions

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I did not make any comment regarding a tax such as the one described by the hon. member. As the hon. member knows, I have no intention of making any comment or taking any action before the budget. However, I am here to accept representations and I do accept the hon. member's.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I am certainly not suggesting such a tax, quite the contrary.

Since the government is borrowing more and more abroad and Statistics Canada tells us that the personal savings rate is at its lowest level in 23 years, does the minister not agree that taxing RRSPs and pension plans would significantly hurt savings and investments?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, there is no question that the level of savings in Canada has to go up, if we are serious about promoting a growth-based economy. One of the best ways to achieve that is to have political certainty, and it is my hope that we will have such certainty before long.

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[English]

BOSNIA

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, a week ago the Minister of National Defence said this about Bosnia: "We in Canada believe that obviously those detained should be released, that the hostilities should cease, there should be a ceasefire and that the Sarajevo airport should be reopened". He then hoped that the combatants would get down to meaningful discussions and negotiations within the next few days.

(1435)

The minister is zero and five. Will the government stop wringing its hands and hoping for miracles and call for the multilateral withdrawal of UN forces from Bosnia?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I answered that a little earlier and the Prime Minister has answered it. No.

We continue to remain extremely concerned about the plight of the 55 Canadians detained in Bosnia. We had assurances as late as yesterday that the Bosnian Serb forces will be releasing those people detained, including the Canadians. We hope they will discharge their promises at this particular time.

The reasoning the hon. member is using is not shared by the government. We are not wringing our hands. The deputy minister of foreign affairs was in Belgrade yesterday and gave a very stiff message to the president and foreign minister of Yugoslavia, as it is constituted in Belgrade.

Our Prime Minister has also been very forceful in demanding the return of the Canadians who are being detained.

When the Prime Minister returns later this evening we will be having further discussions with him. Perhaps we will be able to clarify our position and mollify the hon. member somewhat.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, the complete failure of the CSCE summit in Budapest and the failure of the Prime Minister to even state his position during the Bosnian debate proved beyond a shadow of a doubt that Canadian and UN peacekeepers have done their best. However the situation is beyond their mandate. The government wants a negotiated peace. But it wants what it cannot have.

At what point will the government accept that no negotiated settlement is forthcoming and pull out our troops?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I have answered the specific question and so has the Prime Minister.

However, I take great umbrage. The hon. member has criticized our Prime Minister representing Canada in an international forum where he made Canada's position absolutely clear. I resent that.

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[Translation]

ETHICS

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is directed to the Minister of Health.

Two weeks after we heard that the Director of the Bureau of Veterinary Drugs at Health Canada was lobbying on behalf of a number of pharmaceutical companies, the Minister of Health seems unable to say whether the behaviour of her official complies with the government's code of ethics on conflict of interest. I will give the minister a chance to give us a clear answer.

Could the Minister of Health tell us whether Mr. Ritter's behaviour violated the government's code of ethics on conflict of interest?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, as I said before in this House, I asked my deputy minister to look into the matter, and I am sure she will give me a report very

Oral Questions

shortly. When she does, I will be happy to share all the facts with the hon. member.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the minister has been aware of this for two weeks. What kind of reassurance is this supposed to give the public, when Mr. Ritter, the lobbyist, was seen yesterday at the Bureau of Veterinary Drugs of Health Canada, the Bureau whose director he continues to be, Mr. Speaker?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, as I said before, I am waiting for my deputy minister's answer. If the hon. member has any information that might be useful, he should get in touch with the department, and he is welcome to do so. That is how we run things here.

* * *

[English]

NUCLEAR WEAPONS

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, recently at the United Nations, Canada abstained on a resolution asking the International Court of Justice for an opinion on the legality of the threat or use of nuclear weapons.

In light of the minister of state for foreign affairs recent statement to the UN General Assembly in which she advocated strengthening the human rights and environmental functions within the United Nations, can she assure the House that when the same resolution comes to a vote in the General Assembly, Canada will no longer abstain but vote for nuclear responsibility and support the resolution?

(1440)

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, it was in the General Assembly that Canada abstained on the resolution to which my colleague refers.

It is very important to stress that Canada's goal as a nation is the elimination of all nuclear weapons worldwide. We are trying to develop incrementally a consensus around the world on this issue. In the meantime, we will work very actively internationally to try to enhance a nuclear non-proliferation treaty and a comprehensive test ban treaty.

We consider this is very important for all the same reasons but including the protection of the environment and humanity.

* * *

GOVERNMENT EXPENDITURES

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, despite warnings from the OECD and the IMF about the need for deeper spending cuts, ministers, like the Minister of Justice, continue

to lay legislative proposals before the House without a cost analysis or projections.

Will the finance minister agree, given our current financial situation, it is inexcusable for any minister to present any program or legislative initiative to the House without an analysis of the cost to the taxpayers?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I can respond on behalf of myself by saying that the government examined the cost implications of every element of its firearms control program.

In accordance with the ordinary parliamentary process those matters will be examined in detail before the relevant committee of the House.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I have a supplementary question. The government continues to give fuzzy answers. Now is not the time for fuzzy answers, particularly on spending or taxation.

Will the minister calm concerned Canadians and state clearly that there will be no new taxes or tax increases in the February budget? The choice is the minister's: Santa or Scrooge.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I have stated on many occasions in the House that I am not going to comment on matters that will be brought forward in the budget. That is the answer to the member's supplementary question.

However, in response to his first question that basically said that one should provide for the impact of one's recommendations or one's legislation, I say that people in glass houses should not throw stones. Why is it that Reform Party members, when they come down with their studies, refuse to show the impact of what they are recommending? Is it because they know what those recommendations would do to the Canadian people and to the Canadian economy?

* * *

[Translation]

COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, my question is directed to the Minister of Intergovernmental Affairs.

Last week, the Minister of Intergovernmental Affairs turned down an invitation from the mayor of Saint-Jean who was hoping to resume discussions on the future of the Collège militaire de Saint-Jean, on the basis of his proposal. The minister has yet to respond to a letter sent to him on December 2 by his Quebec counterpart, inviting him to delegate officials for the purpose of resuming negotiations.

Oral Questions

Does the lack of a prompt response from the minister mean that the Minister of Intergovernmental Affairs is still refusing to delegate officials from his department to resume discussions on the basis of the proposal by the mayor of Saint-Jean?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, we are now considering the proposals made by Minister Beaudoin and Mayor Smereka.

I think we should remember that a federal proposal was tabled, and signed and accepted by the Government of Quebec, a proposal in which the federal government offered \$25 million over five years to cover the transition period.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, since time is of the essence and, as of January, employees have to decide whether they will accept a transfer, how can the minister justify the delay in dealing with the matter of the Collège militaire de Saint-Jean? Is that his flexible federalism?

(1445)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I find it difficult to take this question seriously, since we have on the table an offer dated July 19 that was signed by the Government of Quebec, and since September 12, the Government of Quebec has refused to budge. We have a situation where for months the Government of Quebec has undermined the financial security of the teachers at Saint-Jean and has prevented the Collège militaire royal de Saint-Jean from remaining open. The uncertain economic climate in the Saint-Jean area is being caused by the PQ government which, so far, has refused to implement an agreement that was duly signed.

* * *

[English]

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, my question is for the Minister of Justice.

Consideration by the Alberta government to use the notwithstanding clause of the Constitution to refute the impending new federal gun control legislation underscores the absence of any real consultation between the federal justice minister and provincial officials, in spite of assurances to the contrary by the minister.

As the opposition to his proposals begins to mount, will the Minister of Justice reveal which provincial attorneys general he consulted with and had the support of prior to November 30?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, consultation was engaged in continuously with officials in the offices of every provincial and territorial attorneys general, every one of them.

Let me add in response to the hon. member's question that consideration of invoking the notwithstanding clause in relation to the legislation reveals nothing more than a profound misunderstanding of the nature of the clause and the Constitution.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, my supplementary question is for the minister.

The provincial justice minister states that Alberta is not prepared to pay the estimated half million dollar cost of establishing a registry in the province and therefore Ottawa would have to foot the bill.

What is the overall estimated cost for the national registration of rifles and shotguns? Who is going to pay for a registration system that will not reduce the criminal use of these weapons?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the premise upon which the question is based is fundamentally flawed.

The introduction of a national registration system will not only enhance community safety, but it will choke off one of the important sources of supply for criminals getting hold of guns.

In terms of the cost, the provincial attorney general in Alberta is reported to have referred to the sum of \$500,000. He did not indicate how he arrived at that sum.

Last week we published as a federal government our estimate of the cost. We fully expect that to be a very reliable estimate in all the circumstances.

* * *

ENVIRONMENT

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

A Russian pipeline oil spill into the Arctic river system is rapidly becoming a major international ecological disaster. The region of the spill has no fish population to speak of and the deer population has declined by 30 to 50 per cent.

What is the government doing to protect the Arctic from the devastating results of the oil spill?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the member will know, because she is the vice-chair of the environment committee, that immediately upon learning of the bill I was in touch. It happens to be a very significant issue for the Arctic environment.

Oral Questions

We wrote to the Government of Russia to see if we could be of assistance. The initial offer was declined. However we did receive contact via the United Nations last week that the Russians are interested in having international expertise. A ten person team including two Canadians are leaving today to go to the oil spill site to see if we might be of assistance to prevent potential devastation in the virgin Arctic.

* * *

(1450)

*[Translation]***REPRODUCTIVE TECHNOLOGIES**

Mrs. Madeleine Dalphond—Guiral (Laval Centre, BQ): Mr. Speaker, my question is for the Minister of Justice.

While the Liberal government has been dragging its feet for over a year on the issue of new reproductive technologies, women are selling their eggs to the IVF Canada clinic in Toronto. It is increasingly clear that the commercialization of human genetic material, embryos and foetal tissue is growing in Canada.

Since new reproductive technologies are evolving much more rapidly than the government, can the Minister of Justice admit that several recommendations in the Baird report can be implemented quickly to regulate some embryo research practices and the sale of human gametes or eggs, as is happening at the IVF Canada clinic in Toronto?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I thank the hon. member for her question. I am sure that the Bloc Quebecois member understands how complex the issue is and that she and her Bloc colleagues can appreciate the jurisdictional questions involved.

We are doing our job. We met with more than 40 groups, as well as representatives of the various provincial governments. We are preparing both a short-term and a long-term plan that will consider not only the technologies themselves but also sexual and reproductive health, because it is a matter not only of technology but also of prevention of infertility. We must do all we can to prevent potential problems.

Mrs. Madeleine Dalphond—Guiral (Laval Centre, BQ): Mr. Speaker, does the Minister of Health seriously believe that the reasons she has just listed are sufficient to justify her department's delay in producing the report that the Minister of Justice needs to take action in this very urgent matter?

[English]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, it is passing strange that members of the Bloc Quebecois will on the one hand say: "We want a separate country; we want to do everything by ourselves", and on the other hand when it suits

them will say: "We want you to impose your will on the provinces". If they want us to impose our will on the provinces in relation to new reproductive technologies, we will be glad to, but that is not the way the government normally operates.

We work with the provinces and the stakeholders. We have done a considerable amount of work and we will continue to do that work to address these very complex issues.

* * *

JUSTICE

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, on Friday I asked the Solicitor General about the escape of Ian John Hutton from a halfway house in Vaughan, Ontario. It was apparent that the minister had not been informed of Hutton's unlawful absence.

Could the Solicitor General explain why a murderer, who is classified on CPIC as being violent and an escape risk, could be unlawfully at large for four days without the minister or the media being notified?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this matter was put in the hands of the police. It is their responsibility to have this person returned to custody.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): I have a supplementary question, Mr. Speaker.

When I asked the minister on Friday why a murderer who was classified as being violent and an escape risk was serving his sentence at a halfway house, the minister replied that it was a serious matter.

Given the fact that the seriousness of the matter has been compounded by the non-notification of the escape, is the minister prepared to hold a public inquiry into the matter?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this is a matter based on a decision made by the parole board which operates at arm's length from the minister and from the House of Commons.

I will be happy to draw the hon. member's comments to the attention of the parole board.

* * *

BANKS

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, my question is for the Minister of Finance. Mr. Minister, not only have the six largest banks made record—

The Speaker: I would ask the hon. member to direct his question through the Chair.

Oral Questions

Mr. Solomon: I apologize, Mr. Speaker.

My question is for the Minister of Finance. Not only have the six largest banks made record profits of over \$4 billion, but they are also holding Canadians for ransom with high interest rates.

(1455)

A study done by his own department points out that the top four banks hold 53 per cent of depositor assets. Inflation is at an all-time low, yet we are still being stung with a high interest rate policy that will stifle our economy and add to our debt.

Will the Minister of Finance direct the finance committee to hold a full investigation into bank practices and profits to ensure the banks pay their fair share of taxes?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is certainly the intention of the government that the banks pay their fair share of taxes. As the member knows, in addition to the normal corporate tax there is an additional large corporation tax imposed upon the banks. In addition to that there is a tax on the capital of all financial institutions.

We are obviously very concerned about the health of the economy. There have been extensive committee reports involving the banking system. I thought the industry committee came up with a very good report this year. The finance committee has as well looked at these issues. Unfortunately I am not in a position to direct the finance committee, but I obviously would be prepared to co-operate with it in any way, shape or form.

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, my supplementary question is for the minister.

If the minister will not direct the Standing Committee on Finance to investigate and make a recommendation to the House of Commons, will the minister give assurances to the House that the Department of Finance will ensure that the banks are at least paying their fair share of taxes on the huge profits they are earning and that they are not gouging consumers with high interest rates on loans, mortgages and agricultural and business loans.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, again I am sure the hon. member knows that according to the rules of the House I cannot direct the finance committee. In fact I can tell it very little.

I can assure the hon. member the Department of Finance will certainly make sure that the banks live up to proper business practices and that the banks pay their fair share of taxes.

EMPLOYMENT EQUITY

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

Although it is 1994 it seems that the Stone Age has returned to certain quarters in the House. We have listened to the Neanderthal ramblings of the third party on social programs, women and violence, and employment equity.

Will the President of the Treasury Board please explain slowly, so that our friends opposite will understand, why it is only fair to apply employment equity to the public service?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, employment equity was established by a Liberal government over a decade ago in the public service.

It was established because we wanted to ensure that the public service reflected the kind of population Canada has today and that it would remove unfair barriers to women, to aboriginals, to visible minorities and to the disabled from being able to gain employment in the public service. We wanted to make sure we created a level playing field.

For those who are concerned about reverse discrimination, let me point out that over half the employees of the public service are able-bodied males and half of all hirings in recent years have been able-bodied males.

The bottom line is that the merit principle is a cornerstone of hiring in the public service.

* * *

[*Translation*]

SEXUAL ORIENTATION

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my question is for the Minister of Justice. We have learned that the justice minister will not be tabling the bill to prohibit discrimination on the basis of sexual orientation for what he calls strategic reasons. And yet this was one of the commitments made in the red book, and repeated by the Prime Minister. The Minister of Justice had promised to take action by the spring, then by June, September, the fall, and now he is talking of another postponement.

Are we to understand that the Minister of Justice is completely paralyzed by the Flintstone wing of his party, which systematically opposes any bill to prohibit discrimination on the basis of sexual orientation?

(1500)

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member will be happy to know that both this minister and the government are moving quite freely, thank you very much. We are not paralysed by anything in this connection.

I want to take this opportunity to emphasize the commitment of this government in that regard. As I have said, as the Prime Minister and the Deputy Prime Minister have said, this government is committed to the introduction of amendments to the Human Rights Act to add sexual orientation as grounds on which discrimination is prohibited. I think it is not so much a question of timing. It is a question of principle and commitment and that bill will be introduced in this House.

* * *

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the health minister has just said that this government works together with the provinces.

My question is for the justice minister. The legislative assembly of Saskatchewan has voted unanimously to oppose any further gun controls and he has had a letter to this effect. The chief law enforcement officer for the province of Saskatchewan is concerned about how he will be able to enforce gun control laws which the majority of voters in the province know are unfair and unnecessary to control violent crime.

The minister said he has consulted. He should be aware he has a major problem. Has he taken a head count of all of the justice ministers in this country to find out which of them support his proposals and which do not?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we do not govern by head count. We govern by what is right.

This government's assessment of what is right was demonstrated last week in writing when I tabled our decision document in the House of Commons. That is this government's assessment of what is right.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

The Speaker: I am sure all hon. members will want to hear the response of the minister.

Mr. Rock: In concluding, Mr. Speaker, I want the hon. member to know that I have a decent respect for the opinion of my provincial and territorial counterparts but in the final analysis this is a matter for this federal government to deal with.

Point of Order

We are showing leadership on the issue. Our decisions were announced last week.

The Speaker: I have a question of privilege, followed by a point of order. The hon. member for Kingston and the Islands on a question of privilege.

* * *

PRIVILEGE

SIR JOHN A. MACDONALD

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a very important question of privilege that touches on my ability to represent my riding in this House.

Yesterday all hon. members received, I believe from Your Honour, a book entitled *The Prime Ministers of Canada*. It is a green book presented by the House of Commons and the National Archives of Canada.

I was appalled when I opened the book and read on the page describing my distinguished predecessor, Sir John A. Macdonald, that he represented three constituencies at various times: Marquette, Manitoba; Victoria, British Columbia; Carleton and Lennox, Ontario.

Everybody knows that Sir John A. Macdonald was the member for Kingston. He was first elected as the member for Kingston in 1844 and he served in the legislature of the United Canadas until Confederation. From 1867 until 1891 he was a member for Kingston in this House except—

The Speaker: I knew that. I am not sure it is a question of privilege but I am sure that he does have a grievance and I undertake to have a look at the book and if I can do anything at all to change it I will do so.

If it is necessary I will get back to the House but I think I would like to let that matter sleep. If the hon. member wants to see me later in my chambers I will be there.

* * *

POINTS OF ORDER

PARLIAMENTARY LANGUAGE

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, I beg your indulgence to raise a point of order which touches on a ruling made by the Chair in debate during private members' hour last night.

(1505)

I want to assure you off the top, Mr. Speaker, that I intend no disrespect toward you. I seek only explanation and clarification.

In debate last night I used the word "meanspirited". That word was ruled by the Speaker as being unparliamentary. I must say that I was surprised but I withdrew the word immediately.

Routine Proceedings

Mr. Speaker, I am looking for guidance and clarification from you because I do not find the offending word in Beauchesne's and I wonder whether we have wandered unintentionally into territory where there is undue restriction on expression in this House.

I appreciate that the Chair made similar rulings on November 23 and November 25 past, but my examination of those rulings leads me to believe they are based more or less on context. In other words, I do not see "meanspirited"—

The Speaker: The hon. member is referring to a ruling that I made in this House with regard to the word "meanspirited". As a general rule I do not take time to explain all of the decisions I make. However, I was hoping in ruling out the word "meanspirited" to lower the tone of words being used in Parliament.

The hon. member is absolutely correct, the word does not appear as unparliamentary in any of our books we look at for words that are unparliamentary. However, from time to time words are added to it. In my judgment on the spirit in which the word was used, I thought if it were withdrawn it would make for better debate in the House.

As for the ruling made by our Deputy Speaker, this was in keeping with his responsibilities. The context of the word, the context in which it is used many times and the tone of the word sometimes make that decision for us.

With respect to my hon. colleague, I would prefer that the word "meanspirited" not be used in our vocabulary as we go back and forth. It is not my intention in any way to restrict debate in this House. I would hope that all members would give enough latitude to the Chair to see to it that at least in debate with one another we would use words where possible that are less offensive.

I thank the hon. member and I would hope that he would respect the decision we had made earlier with regard to this word.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I wish to rise on the same point of order to reiterate what my friend has said. The words that Your Honour just used—I say this with the greatest respect—are clearly indicative of what Your Honour meant when you ruled this out of order in Question Period on November 23. Question Period is a different time when there is no opportunity for discussion. However, on two occasions since then the Deputy Speaker has chosen to state that this word is out of order because of the ruling on November 23.

While the word may be one that in certain circumstances could cause disorder in the House and may therefore not be permitted, it is one that has been used in this House for a long time. I do not understand why it is automatically out of order now whenever it is used.

I think the point the hon. member was seeking to make is while it may have been out of order in Question Period on November 23 and Your Honour has given a reason why that was so and that is accepted, to say the word is therefore unparliamentary on all other occasions is taking a word which is not a particularly nasty one when compared with the others in Beauchesne's which I could read at length that have been ruled to be unparliamentary—

The Speaker: Order. We are going on here. I am going to permit an intervention by the member for the Reform Party and then I would like to go from there.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I was present in the House when this incident occurred. I point out that the term "meanspirited" does indicate some motivation. I can also assure you that there was some irrational emotion by the member who used the term. I support the Speaker in his determination.

(1510)

The Speaker: Order. The decision has been made. The Speaker who made the decision was acting within his responsibilities. In view of what has gone on with that, I would let that decision stand and I would like this matter to be closed now.

ROUTINE PROCEEDINGS

[English]

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Madam Speaker, pursuant to Standing Order 83(1), I wish to table an explanatory note, a notice of ways and means motion to amend the Excise Tax Act. I ask that an order of the day be designated for consideration of this motion.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's response to 37 petitions.

* * *

EMPLOYMENT EQUITY ACT

Hon. Ethel Blondin—Andrew (Secretary of State (Training and Youth), Lib.): Madam Speaker, pursuant to section 9 of the Employment Equity Act, I have the great pleasure to table on behalf of the Minister of Human Resources Development, in

both official languages, the seventh annual report to Parliament on the Employment Equity Act.

It is also my pleasure to announce that the Minister of Human Resources Development will introduce shortly legislation to amend the Employment Equity Act.

* * *

INCOME TAX ACT

Mr. John Bryden (Hamilton—Wentworth, Lib.) moved for leave to introduce Bill C-294, an act to amend the Income Tax Act (public access to information from audits of charities and non-profit organizations).

He said: Madam Speaker, this private member's bill calls on public access to the audits by Revenue Canada of charities and non-profit organizations which presently are not available for public disclosure.

The principle behind this is that non-profit organizations and charities are responsible to the taxpayer because they do not pay taxes. Therefore, there should be full accountability to the public. That is the intention of this bill.

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

* * *

PEACEKEEPING ACT

Mr. Chuck Strahl (Fraser Valley East, Ref.) moved for leave to introduce Bill C-295, an act to provide for the control of Canadian peacekeeping activities by Parliament and to amend the National Defence Act in consequence thereof.

(1515)

He said: Madam Speaker, it is my privilege to introduce this bill the short name of which could be called the peacekeeping act.

In recent months both the defence review and the foreign affairs review have pointed out the need to have peacekeeping criteria established in advance of peacekeeping operations.

Recent unfortunate developments in the former Yugoslavia have reinforced the necessity to establish these criteria now while our excellent peacekeeping reputation remains untarnished.

The private member's bill I have introduced today requires the government to pass a resolution in this House before a peacekeeping mission starts. The resolution would lay out the goals, the duration and the maximum cost of the mission. Once the resolution expired troops would be withdrawn or a new resolution passed to continue the mission.

Routine Proceedings

A peacekeeping bill such as this would allow Parliament to ask the hard questions before peacekeeping missions began. It would also help to secure the lives of our peacekeepers.

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

* * *

PETITIONS

HUMAN RIGHTS

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition to the House signed by Canadians from southwestern Ontario including my own riding of Mississauga South.

The petitioners pray and request that Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation. I concur with this petition.

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, pursuant to Standing Order 36 I have the honour and privilege to table three petitions duly certified by the clerk of petitions and signed by the constituents of Lambton—Middlesex.

In the first petition the petitioners pray and request that Parliament not amend the human rights code, the human rights act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

ASSISTED SUICIDE

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, in the second petition the petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, in the third petition the petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

Routine Proceedings

YOUNG OFFENDERS ACT

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, I have with me today eight sets of petitions from the people in my riding of Port Moody—Coquitlam and across the province of British Columbia on the need for amendments to the Young Offenders Act.

These petitions are a follow-up on the huge outpouring of support for changes to the Young Offenders Act which was demonstrated in a rally held in my riding on September 25. These are part and only part of nearly 15,000 signatures collected from concerned Canadians.

This is an issue that will not go away. It is the responsibility of Parliament to respond to these legitimate concerns. It is with this directive that I table these eight petitions containing some 7,000 of those signatures.

GUN CONTROL

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Madam Speaker, I am pleased to rise in the House to present a petition from residents of British Columbia including many from my riding of Cariboo—Chilcotin.

The petition calls upon Parliament to refuse the justice minister's anti-firearms proposals and insist that he bring forth legislation to convict and punish criminals rather than persecute the innocent.

YOUNG OFFENDERS

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Madam Speaker, I am also pleased to present a petition from the residents of Quesnel, British Columbia. The petition calls for Parliament to enact strong legislation against crimes of violence committed by youth.

I am happy to concur with both of these petitions.

(1520)

[*Translation*]

SENIORS

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Madam Speaker, in accordance with Standing Order 36 I would like to present the following petition: We, the undersigned, residents of Anjou, Montreal and the surrounding area, want to bring to the attention of Parliament the following facts: whereas senior citizens are naturally more at a loss when faced with the technology of voice mail boxes; whereas senior citizens are entitled to appropriate service, particularly as it regards their income security enquiries; therefore the petitioners pray and request that Parliament ask the government to abandon its plan to implement voice mail boxes for senior citizens. I concur with the petition, Madam Speaker.

[*English*]

GUN CONTROL

Mr. Jim Jordan (Leeds—Grenville, Lib.): Madam Speaker, I have a petition that received very extensive support in my riding. It reminds the government that maintenance and use of firearms is currently heavily controlled under existing legislation in this country. It calls upon Parliament to institute legislation to protect the peaceful private ownership, maintenance and use of such firearms, including but not excluding such events as controlled hunting, sport shooting and the collecting of firearms.

RIGHTS OF THE UNBORN

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Madam Speaker, pursuant to Standing Order 36, I have the honour of presenting four petitions.

In the first petition, the petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by the born human being to the unborn human being.

ASSISTED SUICIDE

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Madam Speaker, in the second petition the petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada pertaining to assisted suicide be enforced vigorously. They request that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

KILLER CARDS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Madam Speaker, the third petition asks to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their products destined for Canada will be seized and destroyed.

HUMAN RIGHTS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Madam Speaker, the fourth petition asks Parliament not to amend the human rights code or the charter of rights and freedoms in any way which would indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, pursuant to Standing Order 36, I have the privilege of presenting two petitions to the House. Both petitions were signed by nearly 100 of my constituents, mostly from the Lloydminster area.

The first petition wants to draw the attention of the House to the fact that the majority of Canadians believe that the privileges which society accords to heterosexual couples should not be extended to same sex relationships. They request that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include it in the prohibited grounds of discrimination.

ASSISTED SUICIDE

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, the second petition draws attention to the House that the majority of Canadians respect the sanctity of human life. They ask that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I would like to indicate that I support the petitioners in their request to Parliament.

GUN CONTROL

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Madam Speaker, I would like to put forth the following petitions. The first petition is from people in my riding of Esquimalt—Juan de Fuca requesting that Parliament refuse to accept the justice minister's anti-firearms proposals. They insist that he bring forth legislation to convict and punish criminals rather than persecute the innocent. I concur with that.

ASSISTED SUICIDE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): The second petition is from people in my riding of Esquimalt—Juan de Fuca. They request that Parliament ensure that the present provisions in the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously, and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia, which I would like to say I do not concur with.

(1525)

OFFICIAL LANGUAGES

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): The next petition relates to enacting legislation providing for a referendum of the people binding upon Parliament to accept or reject two official languages, English and French, for the government and people of Canada. The acceptance or rejection of the proposed amendments would be determined by number one, a majority vote of the total votes cast in the whole of Canada together with two, a majority vote in a majority of

Routine Proceedings

provinces with the territories being given the status of one province. I concur with this petition.

HUMAN RIGHTS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): The last two petitions I will put together. They are from constituents of Esquimalt—Juan de Fuca.

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

I concur with these two petitions.

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I have a petition to present today from 227 members of my riding.

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

ASSISTED SUICIDE

Mrs. Sue Barnes (London West, Lib.): Madam Speaker, pursuant to Standing Order 36 I have two petitions to present to the House today.

The first is a petition from members of my constituency against euthanasia and doctor assisted suicide.

I have not made a decision personally on this matter and will continue to present both sides of the issue.

HUMAN RIGHTS

Mrs. Sue Barnes (London West, Lib.): The second petition in part asks for amendments to the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation. I strongly agree with this.

DANGEROUS OFFENDERS

Ms. Colleen Baumier (Brampton, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to table a petition with the signatures of 668 of my constituents. It calls on the government to introduce legislation which will ensure the post-sentence detention of child sex offenders who are likely to reoffend upon release. This brings the total number of signatures I have tabled in the House calling for such legislation to 6,840.

Canadians are concerned about the safety of their children. It is time we introduced legislation which responds to this very real fear.

Routine Proceedings

PEARSON INTERNATIONAL AIRPORT

Ms. Colleen Beaumier (Brampton, Lib.): Madam Speaker, I am also tabling a petition from residents of Brampton South which calls on the government to take action with respect to excessive noise caused by aircraft using runway 24R at Pearson International Airport.

These residents have suffered a great deal because of the noise and are asking that the necessary changes be implemented so that it stops immediately.

HOMEMAKERS COMPENSATION

Ms. Colleen Beaumier (Brampton, Lib.): I have a third petition to present in support of compensating spouses working in the home and caring for preschool children.

ASSISTED SUICIDE

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present two petitions from my constituency of Prince George—Bulkley Valley and specifically the town of Vanderhoof, B.C.

The petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I am pleased to say that I personally support both of these petitions.

GUN CONTROL

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Madam Speaker, pursuant to Standing Order 36, I rise today to present 203 signatures not only of people from Okanagan—Similkameen—Merritt but of like minded people from all across B.C. including North Vancouver, Langley, Surrey and Burnaby.

The petitioners are opposing the anti-firearms legislation that the justice minister is pursuing. Therefore the petitioners request that Parliament refuse to accept Mr. Rock's anti-firearms proposal and insist that he bring forth legislation—

(1530)

The Acting Speaker (Mrs. Maheu): I would ask that the member not use the minister's name but refer to him as the Minister of Justice.

Mr. Hart: I apologize, Madam Speaker. The petitioners request that Parliament refuse to accept the justice minister's anti-firearms proposal and insist that he bring forward legislation to convict and punish criminals, rather than persecute innocent law-abiding citizens. I agree with my petitioners.

HUMAN RIGHTS

Mr. Bill Graham (Rosedale, Lib.): Madam Speaker, I am pleased to be able to present a petition signed by 210 citizens of

my riding and elsewhere in Canada praying that Parliament amend the human rights code to include sexual orientation as a prohibited ground of discrimination.

ASSISTED SUICIDE

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, I have two petitions that are identical that oppose euthanasia and doctor assisted suicide, both of which I endorse.

CANADIAN WHEAT BOARD

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, another petition asks that Parliament expand further the Canadian Wheat Board's monopoly powers to include all grains and oilseeds, and a petition that strongly supports the Canadian Wheat Board's monopoly powers in marketing wheat and barley for export.

RIGHTS OF THE UNBORN

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, I have another petition from constituents of Saskatoon—Dundurn wherein they ask that the unborn child's rights be protected by Parliament.

HUMAN RIGHTS

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, this final petition opposes the amendment of the Canadian Human Rights Act to include the words sexual orientation, a term that is undefined.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Madam Speaker, I rise to present a petition calling on Parliament not to amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, would you be so kind as to call starred question No. 54.

The Acting Speaker (Mrs. Maheu): Starred question No. 54.

Mr. Milliken: Madam Speaker, I would ask that the answer to starred question No. 54 be printed in *Hansard* as if read due to its length.

The Acting Speaker (Mrs. Maheu): Is it agreed?

Some hon. members: Agreed.

[Text]

Question No. 54—**Mr. McClelland:**

*Government Orders***GOVERNMENT ORDERS**

With respect to those individuals who have already been compensated by the Government of Canada because they contacted the HIV virus as a result of tainted blood transfusions, (a) what is the government's policy concerning the spouses of individuals with HIV and (b) is the government considering compensation for the spouses who unknowingly contracted HIV from their partners?

[*English*]

Hon. Diane Marleau (Minister of Health): The question of including HIV-infected spouses was given very serious consideration by the government at the time the extraordinary assistance plan was being developed. The terms of reference of the plan remain unchanged.

Only those directly infected with HIV as a result of having received contaminated blood are eligible for assistance but spouses of such persons are ineligible.

The plan was developed in consultation with the Canadian Hemophilia Society and representatives of non-hemophilic HIV-infected blood transfusion recipients. The plan, which provides \$120,000 tax free, is an exceptional response by the federal government.

When the government established the amount payable, it did take into consideration factors such as support of spouses and children. At this time no compensation for spouses is contemplated by the government.

In addition to the assistance already provided by the federal government, a multi-provincial and territorial assistance program was announced in September 1993. It provides financial assistance for life for the person directly infected as well as assistance for spouses and children.

[*English*]

The Acting Speaker (Mrs. Maheu): Shall the remaining questions stand?

Some hon. members: Agreed.

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MOTIONS FOR PAPERS

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

The Acting Speaker (Mrs. Maheu): Is it agreed?

Some hon. members: Agreed.

DEPARTMENT OF INDUSTRY ACT

Hon. John Manley (Minister of Industry, Lib.) moved that Bill C-46, an act to establish the Department of Industry and to amend and repeal certain other acts, be read the third time and passed.

Mr. David Berger (Saint-Henri—Westmount, Lib.): Madam Speaker, I am glad to have the attention of the minister while I speak and I thank him for being here. I am also happy to see that the spokespersons are here for the opposition parties.

[*Translation*]

I am pleased to participate in the debate at third reading of the bill to establish the Department of Industry. Those who have followed the debate know that this bill concerns the organization of the Department of Industry. The minister and the department have been given a broad mandate: industry, science and technology, consumer and commercial affairs, communications and investment. All are brought together under the responsibility of a single department and a single minister.

(1535)

The bill, as I was saying, concerns the organization of the department and the responsibilities it has been given. It is a housekeeping bill, if I may use that expression.

It is perhaps more important to know what the department will be doing. What is the minister's vision with respect to economic development? He made an important statement earlier this week that answers this question and gives us an idea of where he is headed. In his statement, he says that the government does not accept that Canadians must choose between high unemployment and stagnation of their incomes. Nor does Canada want to accept the American approach of low unemployment and a large number of low-paying jobs. But neither do we want to adopt the European approach, which is characterized by a relatively low number of low-paying jobs and a rate of unemployment that is chronically very high. The government believes that we can move forward on both fronts, employment and income, at the same time. In other words, the government would like to create good jobs that pay well. This is an objective to which all Canadians would give their approval. But you will agree that it is not so easy to put into practice.

In his statement, the minister observed that although Canada is a large trading nation, it has not yet acquired a large trading mentality, particular with respect to small and medium size business.

Government Orders

The report of the Special Joint Committee reviewing Canada's Foreign Policy, which was also tabled in the House a few weeks ago, is even blunter. It reads: "Canada is a trading nation but has not yet proved itself to be a nation of traders".

We are reminded in this report that only one in ten Canadian manufacturing companies exports and that automotive, natural and energy resources trade account for three quarters of our total exports. The picture is brighter for trade in services and high-tech products, but 25 per cent of total trade in these industries is done within three companies. Furthermore, exports to the rest of the world, outside North America, account for less than 10 per cent of our exports.

In short, the natural resource industry is doing well. It has its ups and downs, but for the time being, it is doing well. The current price of resources on the world markets is high. The automotive and automotive products industry is also faring well, in southwestern Ontario in particular, but in Sainte-Thérèse, Quebec, as well. While high technology is somewhat successful, we have a substantial trade deficit in that area. This means that we import far more high-tech products than we export.

(1540)

To sum up, we have not managed to put in place the fully developed structure of an industrial economy. As everyone knows, the wealth of Canada comes mostly from its natural resources. So, if we want to get somewhere, we need to know where we stand so as to determine where we need to go from here.

I think that we will also have to take a realistic view of the role of small and medium size businesses in the Canadian economy.

[*English*]

While it is true that many jobs have been created by small and medium size businesses over the last 10 years, they are not the be all and end all of our economy. Many small and medium size businesses exist because of the existence of large companies. They are suppliers to these large companies.

Second, as I have already noted, few Canadian small and medium size businesses are exporters. Small and medium size businesses contribute only 9 per cent of total exports and less than 8 per cent of manufacturing exports.

Third, the contribution of small and medium size businesses to manufacturing in Canada is anaemic. In 1990 manufacturing firms with less than 100 employees were responsible for only 32 per cent of manufacturing employment.

In Japan I understand that small and medium size businesses account for 75 per cent of manufacturing employment. That is quite a difference, 32 per cent in Canada of manufacturing employment accounted for by small and medium size businesses versus 75 per cent, over twice the proportion in Japan.

In the report that the industry committee tabled several weeks ago on financing small and medium size businesses, we referred to the role of such businesses in today's economy. We referred to the significance of these businesses. We remarked that globalization requires a rapid response capability in design, production, marketing and other activities. We added that flexibility, innovation and technological capability are critical. This applies to all firms regardless of their research intensity or the nature of their product. It applies just as well to firms in the traditional sectors of our economy.

As a result, finely subdivided, highly specialized linear production processes are no longer advantageous and the large, traditionally structured firms do not achieve the best results. We noted that small, knowledge intensive firms are moving into the vacuum.

However, we noted that in Canada we have few new competitors. New competitors are the firms which are characterized by managerial and technological capability, by flexibility in their production processes, by the emphasis that they place on developing and nurturing their human resources. We need more new competitors if we wish to maintain our high standard of living.

The industry committee made a number of recommendations which relate to such new competitors, to those Canadian firms that have set themselves national and international goals. Our whole focus on venture capital is the solution only for firms with growth potential. Therefore, our focus on venture capital is directed to those firms.

(1545)

We also made, for example, a recommendation that the government establish a limited working capital guarantee for small and medium size business exporters, again because of the importance of exports to our economy and because of the fact, as I mentioned earlier, that so few Canadian businesses and small and medium size businesses are exporters.

[*Translation*]

Recently, two young men came to my riding office and asked me to help them find work here in Canada. They are both doctoral students in the same field, engineering. One of them wants to do research in robotics. They approached me independently a few months apart. One came to see me in September, perhaps, and the other more recently, in October. By coincidence, one of these students is from Saint-Henri and the other from Westmount, the two parts that make up my riding. I must say that the riding also covers all of downtown Montreal, but those are two important parts of my riding.

These two young men applied to the Canadian Space Agency, but unfortunately opportunities are limited now. They have looked all over. They applied for work in the private sector, in Quebec and elsewhere in Canada. Unfortunately, they have not had the desired success. One of these young men recently

accepted a job in Philadelphia and I was told that the other might go to Detroit.

I was told that many of their engineering classmates from Concordia and McGill universities had to go to work in the United States.

I firmly believe that the Canadian government is on the right track by emphasizing employment and growth. However, it is regrettable that the Government of Quebec does not have the same priorities. Once again, we will waste so much energy debating existential questions instead of dealing with the real needs of Quebecers.

The Canadian government must stay the course. We must continue to emphasize the economy and growth with the policies which have been announced since the last election, following the direction taken by the industry committee and with the same priority for growth and jobs that underlies and is in fact the main theme of the action plan tabled this week by the Minister of Industry.

(1550)

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Madam Speaker, it is with great pleasure that I take part in this third reading debate on Bill C-46. Since my colleague for Saint-Henri—Westmount said that Quebec is a province, a region that cares more about existential issues than about job development, I rise to examine sections of this bill which provide precisely for job creation and development.

At this third reading stage, I would like to go into the details of the regional development concept. I want to base my speech on two distinct approaches, which are the key factors of the regional development problem in Quebec.

The dynamic policies of regional development in Canada are based on the concepts of growth and development. Both these concepts continually bring the central government in Ottawa into conflict with Quebec and its regions: it is the Quebec government versus the centralizing Canadian federation.

Let us ask ourselves what regional development is really about. First of all, let me remind the House that Canada is composed of four main regions: the West, Ontario and Quebec, in the heart of the country, and the Atlantic Provinces. Each of these four regions has its minister responsible for regional development. What should be examined is the impact the concepts of economic growth and development have.

In its 1989 report on social and demographic development, the social affairs council describes its approach as follows:

Government Orders

“Growth is a quantitative measure of the increase in a society’s wealth.” That is how the increase in the gross domestic product per capita, for example, is presented. “Development implies a kind of growth that does not create inequality and is aimed at giving all individuals, wherever they live, the same opportunities for fulfilment.” This is a major difference between the two concepts of growth and development.

In this perspective, regional development originates in each of Quebec’s regions and is based on a dynamic of balanced economic growth among the regions. The member for Saint-Henri—Westmount knows Quebec very well. He knows that there are sixteen regions and that regional development means a balance among these regions. This notion of development versus growth underscores the federal government’s approach with regard to regional development.

Indeed, given how all the federal government’s regional development policies have evolved over the last 40 years, one can say objectively that the federal system has favoured growth as measured by economic output over development and the structural changes it involves.

The economic dimension, that is favouring a particular area or industrial region in order to stimulate Canada’s gross domestic product, is clearly given priority over the structural dimension in most of what the federal government does in the regions. This approach, this federal involvement in regional development, will have an extremely detrimental effect in the long run on the development of our regions, in Quebec. That is the point I want to make.

I would like to start by reviewing a number of Quebec’s demographic characteristics tied in with the economic problems faced by peripheral regions. Let us keep in mind that Quebec’s share of Canada’s population has been eroding steadily, down from 30 per cent at the beginning of the century to 25.8 per cent in 1986. The problem in Quebec is due mainly to the acceleration this trend. It took exactly 70 years from 1901 to 1971, for its share of the total population to decline two points but a mere 15, from 1971 to 1986, to drop two more.

(1555)

In the regions, it has dramatic effects and the federal government’s regional development policies are partly responsible. In Quebec, more communities are losing population than growing. In Quebec, more regions are declining than growing.

Between 1971 and 1986, the number of young people in communities with declining populations fell by 43 per cent and that of adults by 9.5 per cent, while the number of seniors increased by 24 per cent.

Government Orders

Over the same period, in communities with growing populations, however, the number of young people remained more or less the same, while the adult population of childbearing age increased by 49 per cent. This means that when they leave their community, young adults take with them their reproductive potential, causing a further decrease in the birth rate.

The communities, mostly in peripheral regions, that experienced a substantial decline in population between 1971 and 1986 are also those with the highest rate of unemployment. Basically, a decline in population spells social problems.

In April 1994, for example, the rate of unemployment in the Gaspé and the Magdalen Islands was 27 per cent; in the Lower St. Lawrence region, 17 per cent; in Saguenay—Lac—Saint—Jean, 15 per cent; in the Laurentians, 16 per cent; in Lanaudière, 16 per cent. An analysis of rural depopulation over a 15-year period shows that people are moving to major centres of economic growth with significant impact on Canada's Gross Domestic Product, which determines smaller communities and regional development in Quebec.

This is demonstrated by a historical overview of federal involvement in Quebec's regional development and the impact of these policies on Quebec's dynamics in this area.

In the 1960s, despite some valid initiatives, federal efforts as a whole lacked a global development strategy and co-ordination among the various departments involved. The departments operated sector by sector, each pursuing their own goals, without co-ordinating their actions regionally and correcting regional disparities. In the early 1990s, this attitude became a trademark of the federal government's regional development efforts in Quebec.

The Liberal government's current dismantling of VIA Rail networks in the regions shows that this Crown corporation did not receive the mandate to promote Quebec's regional development. There is only one criterion: profitability and economic growth and not regional development and people's well-being.

Such an attitude to regional development threaten the infrastructure of outlying areas, speeds up the depopulation of outlying municipalities and aggravates regional underdevelopment.

Let me give you another example: The disappearance of local post offices and of some local CBC TV stations shows the same disregard for regional development and the priority given by Ottawa to profitability and sectoral economic growth. There is a lack of global vision. They are busy saving the furniture while the house is burning down.

In the late 1960s and early 1970s, the need to co-ordinate the federal government's regional development initiatives in Quebec led to the creation of the Department of Regional Economic

Expansion. The department focused its efforts on several economic growth centres, hoping that their development would extend to disadvantaged regions.

At the same time, the Higgins—Martin—Raynauld report commissioned by the department, on which the federal government's new regional development policies are based in part, concluded that Quebec's economic difficulties lie in the weakness of its only growth centre, Montreal.

(1600)

The purpose of the study which led to this report was to define the main development objectives for the province of Quebec, simply from the perspective of territorial development. What this report has to say about the approach to development is important. It says that growth centres have an attractive force that drains human, financial and managerial resources from the outlying regions and that this process feeds on itself. The policy is to invest in the major centre and bring people, money and resources in from the outlying areas. Some kind of development! How can you be more centralizing?

Further on, the report says that no territory can become a development centre unless it was first a satellite—so it must have grown—and that being a satellite should have no pejorative connotation because it is the only way to strengthen a territory's competitiveness. That is the federal approach, philosophy and thesis for developing Quebec.

Further on, the report says in the same vein that much more important today are the innovations related to technological progress, concentrated in the relatively large and dynamic cities which are the centres of development. As far as this report is concerned, and it remains an important document in the evolution of federal policies and of the Liberal philosophy of regional development, even though the report is old, Quebec's economic future will be mainly determined by the competitive position of Montreal compared to the economic space dominated by Toronto and other regions dominated by big cities elsewhere in the world.

Unfortunately, the Government of Quebec is just as ignorant about some outlying communities and at times even denied their existence.

Influenced by the liberal line of thought which promotes megaprojects and seeks to build momentum for economic growth, sometimes by expanding large urban centres, the Quebec government decided, in the mid-sixties, to concentrate in regional centres the public services provided by various institutions, so as to reinforce the natural poles of economic attraction. At that time, a Liberal government was in office in Ottawa, while another Liberal government was controlling Quebec's destiny. The growth of Quebec cities over the last 15 to 20 years

Government Orders

would have been stronger without this concentration of public services in natural poles of economic attraction.

Unlike communities which did not provide such services and which experienced a decrease in population, the centres offering these services experienced a population increase. So, the development of some 16 Quebec regions, that is the structural planning of fringe areas, necessarily included the setting up of important services, as well as the development of a stable economic infrastructure adapted to the need of the community for a dynamic economic activity of its own, generated by local people instead of being subjected to the remote interests of a centralizing pole.

Again, the influence of this liberal and centralizing federalism is responsible for the delicate situation of most remote regions in Quebec, as well as for their demographic and socio-economic underdevelopment.

The seventies saw the emergence of general development agreements between Canada and Quebec, the second generation of ERDAs which, incidentally, will expire a week from today, on December 14. However, these agreements all suffer from the same deficiency, that is the lack of a development policy based on eliminating the structural problems which impede regional growth. This problem is an inherent part of the federal regime, which helps maintain and even increase regional disparity, and which also jeopardizes the evolution and the survival of a whole nation.

The unilateral patriation of the Constitution in 1982 was, to a degree, a form of federal interference in regional development.

(1605)

This was undemocratic, since Quebec has yet to endorse the Constitutional Act of 1982. It was a show of force against Quebec, by the federal Liberals and their friends from the other Canadian provinces, to increase, among other things, the federal spending power in Quebec, so as to control its regional economic development. In the eighties, Ottawa increased its interference in regional development matters, thus showing more clearly than ever its enormous potential for developing parallel structures and for generating duplication, which costs Canadians and Quebecers dearly, and which also accounts for their indebtedness.

This disastrous federal policy on regional development in Quebec continues to apply. The Department of Regional Economic Expansion was replaced by the Department of Regional Industrial Expansion. They are very good at inventing new structures and duplicating what has already been done. DRIE was to focus industrial policy on economic growth strategies. Unfortunately, and this was to be expected, the department was

dominated by sectoral concerns, so that industrial development got more money than regional development.

Today, legislation to establish the Department of Industry is about to be adopted. We are now on third reading. Bill C-46 provides that the Department of Industry has the power to "initiate, recommend, co-ordinate, direct, promote and implement programs and projects in relation to regional economic development in Quebec". In other words, the department will go on investing and having an impact on regional development in Quebec, but its activities will not be part of a comprehensive approach to deal with the structural problems of the regions.

The federal government should withdraw from regional development in Quebec, since it tends to ignore the process for the development of regional structures, initiated by Quebec and its regions through its regional county municipalities, its regional development secretariat and its regional economic development councils. As a result, the federal government has a negative impact on regional development in Quebec and on the general development of Quebec's potential.

In Bill C-46, the federal Liberal government has irresponsibly ignored Quebec's clear-cut and traditional claim to sole jurisdiction over regional development. Furthermore, with its total lack of concern about duplication and overlap, the federal Liberal Party helps waste public funds, and it has done so by creating and putting in place structures that Quebec has already had for more than 20 years.

The approach taken by the federal Liberal government, with its two-fold obsession with developing the industrial centres of Quebec's metropolitan areas while ignoring the rest of the province, and with spreading the federal centralist gospel right and left, without a co-ordinating policy, has not only proved to be disastrous for the development of the regions but in many cases has been an obstacle to Quebec's attempts to decentralize socio-economic responsibilities to the regions.

As a distinct society, Quebec has a creative and innovative potential for regional development that, in terms of its perspective and emphasis on long-term solutions, goes well beyond anything the federal government has been able to do in the West, Ontario, Quebec or the Maritimes with its regional development policies.

In response to invasive federal policies and intent on saving Quebec society from regional underdevelopment and eventual cultural assimilation, since the two go together, in 1979 Quebec passed the Act respecting land use planning and development, Bill 125, and created regional county municipalities. These regional centres were to become a vehicle for involvement at the grass roots level.

In Quebec, decentralization of decision-making powers, together with a planning approach that differed substantially from

Government Orders

the federal government's growth policies, were subsequently seen as essential components of a regional policy for the year 2000.

(1610)

At the same time, in an unprecedented spirit of planning and development, the Government of Quebec divided its territory into 16 administrative regions. These are strategically important to Quebec. They are based on geographic, economic, industrial and cultural components in which we find the only real actors responsible for Quebec's development. And this is something that the federal government cannot and does not want to understand, because acceptance of the principle of decentralization is fundamentally at odds with the federal Liberals' idea of centralization that has come straight from Trudeau.

Regional county municipalities, or RCMs, are groupings of municipalities with a combination of economic, cultural and social activities reflecting their proximity, and the movement of people to the places where they work and live. Administrative regions have called upon these RCMs to define development thrusts setting forth the whole range of problems being experienced by these regions with respect to employment, and social, educational and cultural development.

These diagnoses were used to develop a strategic plan for each RCM. The government in power must listen to and recognize the work already accomplished through the expenditure of public money, and the investment of resources and skills.

Take the example of the Eastern Townships, a region that includes seven RCMs. These local bodies analysed and pooled their strategic development plans, and then gave priority to the major development thrusts and development projects, in line with the regional decentralization policy of the Quebec government.

These priorities, which are determined by the particular environment, reveal areas where correction is required, where development is indicated. Thus, by promoting the development of human resources, training and manpower, research, technological development and the linkage of businesses, the decisions made locally have an influence on the economic development of the whole country.

We have to go back to the real make-up of the country, beyond the administrative regions, and focus on the sub-regions and the local communities, assess successes and failures and rethink development. That is what the Parti Québécois and the Bloc Québécois have been working on in their joint plan for a sovereign Quebec. Regional economic development must be coupled with a social development policy to provide every citizen with an equal opportunity to achieve their full potential in a healthy and challenging environment, wherever they live in this huge area. A growing majority of Quebec players, we hope, will be able to pull along in their wake all of Quebec, and

Quebec society, through its regional players, fully supports the decentralization proposal put forward by the new Quebec government.

So, at the third reading stage of Bill C-46, the Bloc Québécois, the Official Opposition, objects to the domination exercised by the Department of Industry and the powers assigned to the minister, relating to regional development in Quebec. We definitely denounce the new powers and duties of the Minister of Industry to formulate and implement policies, plans and integrated federal approaches in Quebec, as stated in Clause 9(a) of the bill.

We also denounce the power to lead and co-ordinate the activities of the government of Canada in establishing co-operative relationships between various agencies of the government of Canada and Quebec. The government has the gall to have the legislation provide that the minister may deal directly with certain bodies in Quebec, going over the head of the Quebec government and National Assembly, and going as far as identifying municipal bodies, which come under provincial jurisdiction. Incredible!

This bill shows how stupid and wasteful it is to want to interfere like that, further compounding duplication and overlap.

(1615)

Essentially, Bill C-46 reflects the federal government's resolve to take over regional development in Quebec and set it in a Canadian perspective of economic growth and efforts to bring the federal deficit down, a perspective that greatly hinders the enfranchisement and development of the people of Quebec.

The only option acceptable to us is the structural development of our regions through the decentralization program developed by the new government of Quebec. It is therefore by leaving the current federal system that we will achieve our goal as a society, a society destined to really develop structurally, all over its territory, and one looking towards the next century and open to the world.

The Official Opposition's position on this bill is no to the federal government and yes to Quebec.

Mr. David Berger (Saint-Henri—Westmount, Lib.): On a point of order, Madam Speaker, I wonder if there would be unanimous consent to let me ask the member a short question.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Yes.

Mr. Berger: Madam Speaker, I would like to ask the member how he can speak on industry for about 30 minutes without even mentioning small and medium size businesses or even mentioning the word business.

Government Orders

His whole speech concerned the administrative structure. Does he not recognize that the Government of Quebec is quite free to structure itself as it wants, to create regional county municipalities, which have already existed for many years under the federal system, to set up its own decentralization plan, to plan as it wants? The federal government has absolutely nothing to do with these internal decisions of a province.

Does he not admit either that almost all government subsidies were or will be abolished for budgetary reasons and because we recognize that these subsidies are ineffective?

Once again, I am amazed that his speech dealt only with the administrative structure and that he did not even mention business; his speech was almost a Marxist treatise. His approach contrasts sharply with what the Minister of Industry said here earlier this week, when he said that the Canadian government recognizes that it is up to the private sector and not the government to create jobs. What the government can do, however, is to make the climate favorable for job creation by business.

I think that the member has absolutely no idea that it is business which creates jobs and not all the wonderful structures which he would like to set up.

Mr. Leroux (Richmond—Wolfe): Madam Speaker, I think that the hon. member was more interested in making comments than in asking a question.

At the beginning of his speech, the hon. member himself said that this was a housekeeping bill. This piece of legislation sets out the directions given by the minister with regard to the power to take action. I referred to the bill, to the powers the minister gives himself by addressing regional development directly without going through the National Assembly, by allowing himself to negotiate and deal directly with Quebec structures, including municipalities which come under provincial jurisdiction.

(1620)

The basic question in this case is clearly one of jurisdiction; the bill determines federal jurisdiction over regional development. The hon. member knows full well that according to all analyses of the federal government's regional development initiatives in Quebec, results are quite negative compared to all regional development.

When Quebecers talk about business, they mean small business. The hon. member knows full well that Quebec's strategic plans also include everything that goes with it, all the structures needed to finance small business. He knows very well that Minister Paillé's latest program is a vigorous small-business support program aimed at helping Quebec entrepreneurs start their own businesses and create jobs, since we know that small businesses do create jobs.

Although the hon. member is well aware of that, he tried to insinuate that we were all talk and no action—since it took him a long time to put his questions, allow me, Madam Speaker, to respond to all the matters he raised. In my opinion, he merely showed that Quebec's regional development program is currently ahead of anything that the Department of Industry may suggest in this area.

I want to add that when talking about this—as the hon. member pointed out—we should try to define the real needs instead of raising existential questions. Is the hon. member willing to admit that to do so, we must start by asking those involved to define their real needs? Regional county municipalities, regional development councils and a regional development secretariat were put in place to define the real problems and needs of the regions, instead of commissioning Price Waterhouse to conduct various studies here and there.

Local people are defining their own needs. They developed strategic plans, and I remind the hon. member that the government itself has just produced a series of reports evaluating Quebec's regions when Quebec issued such reports just last year. This duplication of regional analysis is a waste of energy and public funds.

Quebec is capable of developing itself.

[English]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Madam Speaker, it is my pleasure to participate in the debate. I did not reckon to stand to debate this bill. I want to recognize the chairman of the Standing Committee on Industry with whom it was a pleasure to work during the last number of months. I look forward to continued work with him. There are times when we need to recognize good work that is being done.

We also want to recognize that this bill is probably one of the most significant pieces of legislation that has appeared before the House.

It has been interesting to watch the progress of the bill. I am pleased to acknowledge and to recognize that Reform was able to achieve certain amendments in committee. This shows there is a role for the opposition even though we do not have as much influence as we would like to have. However sometimes good sense does prevail and even the government side recognizes common sense.

It has been a pleasure to address the House on several occasions on different parts of this bill. To date, I have spoken more specifically to its particular aspects. This afternoon, I wish to look at certain other aspects. For example, I have spoken in the past about the need to curb the power of the minister to dispense public funds with impunity, to intervene in the economy and to pick winners and losers.

Government Orders

I have spoken of the need to eliminate regional development as an economic tool of not only this minister and his department but of the government as a whole. I have spoken of the need to curb the powers of centralized economic planning that the bill imparts to the minister and to the cabinet. I have spoken about the disappointment, and even to this day, the lack of efficiencies realized in the amalgamation of the four departments that came together last year to form this new industry department.

(1625)

I have spoken of the lack of vision that the bill represents because in reality it is nothing more than a rubber stamp of Tory policy set by Prime Minister Campbell last year.

I have spoken about the confusion created by having responsibility of aboriginal economic matters in this department and not in the Department of Indian Affairs and Northern Development.

I have spoken about the need to provide for interface between departments, for example with Heritage Canada and the Department of Communications.

I have spoken about the confusion over technical and spectrum management and who is really in charge. I have spoken about Heritage Canada and neighbouring rights and the questions of overlap and jurisdiction.

I have spoken about this and more in the time I have had, only to scratch the surface. Today we will look at some of the fundamentals, the principles and the challenges that are involved with this department and the future that it faces.

Where are we now? Bill C-46 puts into effect the machinery for the new Department of Industry. In my opinion this is the most important department in government. Why? Because in effect it constitutes the engine that will bring about the economic growth and development of our country.

By that I mean it is the department that is directly responsible for shaping the way businesses, both large and small, function in our economy. The department is responsible for science and technology. It is responsible for directing research and development. It is responsible for shaping a good chunk of the regulatory field under which business operates. It is, in conjunction with the Department of Finance, responsible for establishing the banking environment, both public and private.

In short the department influences most of the important economic levers in Canada and for that reason I call it the most important department in government. It allows Canadians to achieve their most fundamental goals, that is the acquisition of food, shelter and clothing. It helps to structure the economy so that we can work to provide ourselves with these things.

Under the new law this department is both powerful and weak. It is powerful because the authority granted to the minister under the bill allows that minister the opportunity to intervene directly in the marketplace through various instruments and actually have the power to pick winners and losers.

It is powerful because of the financial consequences of some of its actions. It is powerful because of its control over small business through the various programs that are geared to that sector.

Yet under the bill the department is also a weak one. For example, the department has a very poor record of success when it comes to its more famous interventions on behalf of certain businesses and sectors, Canada's well known corporate welfare recipients such as Bombardier, de Havilland, SNC, MIL Davie, and others.

The department is weak because it has not been successful in achieving its goal of revitalizing regional economies through its regional development programs. It is weak because of the inefficient path it sets for science and technology investment. It is also weak because it has great difficulty resisting the urge to micromanage Canada's economy on a sector by sector basis.

It is also confusing in the number of responsibilities the department carries. May I just give a brief list of what some of those are. It is not a complete list.

Based on this bill and what is in the main estimates, this department is responsible for a variety of quasi and independent agencies and tribunals which include the following: the office of the federal chief negotiator, internal trade negotiations; the office of the chief scientist; the Canadian aboriginal economic development program; Canadian Workplace Automation Research Centre; the Defence industry productivity program; the Canada scholarships program; the Information Highway Advisory Council; the National Advisory Board on Science and Technology; the Industrial research assistance program; the remnants of Investment Canada; the Canadian Network for the Advancement of Research Industry and Education, commonly known as CANARIE; the Natural Sciences and Engineering Research Council; the Federal Office of the Regional Development—Quebec, which requires an order in council to pass these responsibilities to yet another minister, the Minister of Finance; regional development in northern Ontario under FEDNOR; the network of centres of excellence, the National Research Council; the Social Sciences and Humanities Research Council; the Standards Council of Canada; the Canadian Space Agency; the Communications Research Centre; Statistics Canada; Emergency Preparedness Canada; the Bureau of Competition; the Copyright Board of Canada; and more. It is pretty clear from this admittedly incomplete list that the minister has a wide range of responsibilities which makes it difficult for the department to develop and keep a clear focus.

Government Orders

(1630)

What is the bottom line? The bottom line is a challenge to create a Department of Industry for the end of the nineties and into the next century that is efficient; that makes the right decisions for the economy when needed; that is administratively sound; that is co-ordinated properly and carefully with a concerted focus on providing the best service for the least cost as its private sector clients are required to do; and most important and above all, that is fiscally responsible and uses available dollars in a way that produces maximum possible return for the taxpayer while exposing that same taxpayer to the minimum possible risk.

This fiscal emphasis must recognize the fundamental tenet that the marketplace is the best equipped to do something and to help business operate. The marketplace should be allowed to proceed without undue interference from government.

In short, the role of government should be to set the department in such a position that its mandate is to establish and maintain a culture which rewards entrepreneurship, innovation and research, and that it ensures a level, competitive and honest marketplace. That is the way in which the department should be organized.

Where do we go from here? In terms of small business we should recognize that it is probably the single most important sector in the Canadian economy. Why? It is because it creates the lion's share of new jobs in the country. We all know that when people are working, the country and taxpayers benefit most.

The government's approach to small business should be based on sound fundamental principles. The government's own recently published paper by its small business working committee stated a set of principles for growing small businesses. It said that the government should have the following priorities.

The government should be removed from the market to let it function freely rather than seek to influence or distort it. The government should restrict its own activities to fulfilling gaps not currently served by the private sector. It should do so on a temporary basis until the private sector can take over. It should redesign the taxation system as a vehicle for economic development rather than its current narrow role as a generator of tax revenues. It should focus on helping small businesses access the information and intelligence they require. These are four very significant foundation setting principles given to the government by one of its own committees.

I have spoken before in the House about the report of the Standing Committee on Industry entitled "Taking Care of Small Business" in which the government could find much in the way

of directing its activities to actually influence our economy to reach the goals that need to be reached.

I focus now on the other sector of business, large business. Government can rely on the same principle enunciated just a moment ago. I would encourage government to refrain from undue interference through grants, contributions, subsidies and bail outs of large and small businesses.

It may seem harsh to some on the government benches, but if the free market decides that a company should fail as a result of its own activities then the government has no business intervening to save it. It is just that simple.

We have too many examples of corporate welfare in Canada which highlight how wrong a policy of intervention can be. Certain names in the corporate community are synonymous with government largesse. For this past taxation year alone, based on the public accounts, we are reminded of how extensive the problem is. I want to give some examples.

(1635)

Bombardier received from the federal government a little over \$21 million; SNC Lavalin received over \$1 million; Boeing received \$3.7 million; Litton Systems, over \$4 million; Pratt & Whitney, \$36 million; Canadian Marconi, \$10,750,000; Apotex Pharmaceuticals, \$3.3 million; and de Havilland, \$81,350,000. That is just a short list; the list goes on for pages. It is the tip of the iceberg and is only for last year.

It is easy to understand why companies would take advantage of government largesse. They would be crazy not to do so. If we are dumb enough to give it to them, they are smart enough to pick it up. The point is that government should not offer it in the first place.

Big business also must reverse its attitude that government's role is to pay to ensure its survival and must stop reinforcing that notion. A good product or service, a sound knowledge of the marketplace and an efficient business plan will ensure survival and jobs on a permanent or long term basis without an expenditure or burden on the taxpayer. Let the marketplace decide.

I focus now on the area of science and technology which requires a very significant and comprehensive overhaul. The Auditor General cited in his report this year how poorly the government had done with respect to spending \$7 billion. He made several useful recommendations in this area.

He said that priorities needed to be established, including what is the need, what is the opportunity and what is the potential payback. This will require co-operation among all stakeholders. Overall performance must be monitored, according to the Auditor General, to measure success and provide a framework with indicators for that performance. When that is established the program can go ahead with some success.

Government Orders

Then he went on to say that our science and technology strategy should be appropriate, should be balanced and should be workable. He then said that parliamentarians—that is those of us in the House of Commons—have no basis under the present arrangement on which to assess whether the government's expenditures on science and technology reflect Canadian needs and opportunities and to hold the government accountable for results. Implementing his recommendations as soon as possible should therefore be a critical priority for the government.

These are some of the items that need to be looked at in terms of getting the department to work at the cutting edge of economic development in the next century.

Some members of the government respect and appreciate these approaches. The minister's parliamentary secretary, for example, is forward thinking in many ways. He is the leading proponent of some very positive changes in Canada's taxation system. His flat tax proposals have generated much interest with academics and economists alike. Many of my colleagues including myself on this side of the House find his ideas intriguing and worthy of considerable study with likely implementation. We hope he can convince his colleagues that it is the proper way to go.

In addition, there are two ministers for whom I have a lot of respect: the ministers of industry and finance. They both seem to have a good grasp of what needs to be done and what the direction should be for the future. I believe their personal philosophies tell them we cannot continue with business as usual. We require some radical shifts in our fundamentals. Unfortunately the two ministers appear to be having some difficulty with their cabinet colleagues, some of whom are still pursuing the thinking of the past that put us into the mess we are in today. This is reflected in the strategies released by them.

What is the government attempting to do now? I would like briefly to look at this point on a couple of fronts. First is the orange book that was delivered on Monday morning. The minister released the government's new industrial strategy in an orange coloured book. The report was praised by the *Globe and Mail* and others for its sound forward thinking principles. However many business groups have said that it is short on detail. The content seems to be based on the old thinking that we know does not work any more.

(1640)

An example is the government's proposed increase in the ceiling for the loans it guarantees under the Small Businesses Loans Act. It is well known that some of the banks are using this program to grant loans to businesses that would otherwise qualify. That is not the purpose of the act.

If the free market were allowed to operate and prevail, as I have suggested, there would be no need for such a program. Businesses that were sound would be considered a secure risk by

the banks and receive their loans. Those that were not would not get a loan and would not require the subsidy. This is as it should be. The government should not be encouraging the banks to lend by assuming most of the risk on the taxpayer's back rather than the operation of the market forces.

Banks in Canada show a profit of over \$4 billion, referring to the big chartered banks, for this year. They should be accountable for the risks they make and not depend on the taxpayer to underwrite their small business loans.

Moreover the orange book fails to address the most pressing problem identified time and time again by businesses, that is the business of overbearing taxes. We are overburdened with taxes and that is true of business. The way to address the tax burden problem is to reduce spending which in turn will allow us to curtail the deficit, begin to deal with the debt and in turn reduce onerous tax levels, interest rates and the cost of doing business. That creates jobs.

If the government really wanted to lay out a comprehensive, coherent, industrial strategy for the coming century, it would focus its energy on creating a climate for entrepreneurship. It would create an environment in which the free market could work and would stay out of it to the greatest degree possible.

Some positives in the orange book include the government's commitment to reduce the paper burden, that is to get businesses off the government payroll and back working for themselves as they should be. The paper also recommends expanding our foreign trade horizons, a natural for building more business.

Now I come to the restructuring which was also a positive part of that book. The minister has indicated in the House that his department faces up to a 50 per cent reduction in its overall budget inside of the next two years. I wish him much success in his endeavour and will help in whatever way I can.

Coming back to the Auditor General, I have a few more words about what he said. The government spends \$7 billion each year on science and technology research, \$6 billion directly and \$1 billion in tax credits. The Auditor General concluded that there was a lack of overall government-wide leadership, direction and focus on results and accountability for implementing desired changes. It is gone; it is not there. Then comes his most shattering statement. He said that Industry Canada, the department, was not well positioned to provide effective leadership among departments with science and technology responsibilities. That is the Auditor General's conclusion. I fail to see in this reorganization how that will be resolved.

The science and technology consultations that were conducted under the Department of Industry produced nothing but the regurgitation of the same problems identified 30 years ago. The orange book industrial strategy shifts the money around and increases the government's liability in favour of the banks. The reorganization was dreamed up by Kim Campbell and others. It

does nothing to deal with the problems identified by the Auditor General.

In conclusion, I return to the principles enunciated earlier. We know the foundation needs to be an efficient, administratively sound and fiscally responsible department that encourages a sound environment so that business can build and support itself. Our science and technology policy must have an eye to the needs and opportunity for potential advancement.

I encourage the minister to move ahead with aggression, courage and success as he reduces his department, as he makes it fiscally responsible, and as he gives it the direction to meet the needs of business and the needs in terms of science and research so we will become the economic leader in North America that we could be. We have tremendous talent in our people. We have tremendous resources. This department could marshal the resources and bring it together so that all of us benefit. I wish him good luck and Godspeed.

(1645)

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Madam Speaker, as the assistant to the Official Opposition critic on regional development, I am pleased to address Bill C-46.

Back on September 26, I had the opportunity to express my strong disagreement with this piece of legislation, since it does not recognize Quebec's jurisdiction over its regional development. That bill was unacceptable in its original form. Yet, this House rejected the amendments to clauses 8, 9 and 10 proposed by the opposition critic on regional development. These amendments read as follows:

That Bill C-46 be amended by replacing, in Clause 8, line 23, in Clause 9, line 22, and in Clause 10, line 36, with the following:

with the approval of the Lieutenant Governor in Council of Quebec where such powers, duties and functions relate to regional development in Quebec—

We simply asked that Quebec have control over its regional development. Who, if not Quebec, is in the best position to develop policies in that sector? Certainly not the federal Minister of Industry, although he could, through this legislation, have the authority to set up such policies and exercise control over Quebec's regional development.

The previous government wanted to streamline federal bureaucracy with this bill. The current government admits to looking for ways to eliminate duplication and overlap. Is it just paying lip service to the idea? It looks like it, since Bill C-46 would allow the federal government to intervene at will in Quebec.

Government Orders

This government is ignoring, or pretending to ignore, the efficient regional development programs which have been in place for a long time in Quebec. Incidentally, the new Quebec government has developed a dynamic regional development policy which will be implemented by the stakeholders and which takes into account the fact that trade liberalization eliminates trade barriers and exposes regional economies to stiff competition.

The Quebec government devised a new sharing of responsibility between itself and the regions, including the Quebec union of municipalities, as well as the Quebec union of regional county municipalities and local municipalities. As we have already explained to this House, RCMs will become decision-making centres for Quebec's socio-economic development. These RCMs will be designated as independent and multi-purpose political authorities.

Municipal councils will have to rely more on participation. Under the authority of the RCM's board, sectoral commissions will be delegated various powers, depending on the sector concerned. Regional delegates were appointed to provide direct liaison between the regions and the Premier.

The Quebec government also developed a sectoral development policy which puts the emphasis on the agri-food, fisheries, forestry, energy, recreation and tourism sectors. But what about the federal government? Has it demonstrated an ability to develop programs which take into account already existing provincial and regional policies? The answer is no, Madam Speaker.

No, because the federal government has never been able to reach a consensus where regional development is concerned. No, because the priorities of the Liberal government differ from those of the provinces and the regions. Let us decentralize the funding and the decision-making authority! Then, the regions would be able to develop according to their own priorities.

With this bill, the federal government is trying to control the economic development of Quebec. The government party is digging in its heels and the results are duplication and overlap.

People do not seem to understand the situation; either we have not been able to explain it to members opposite well enough or they are not listening. We all remember the three little monkeys: see no evil, hear no evil, speak no evil. The government is following the advice of the first two monkeys too closely; it should pay more attention to the third one. Several commissions have clearly stated in their reports that the federal government is impeding our regional development.

In its report, the interdepartmental working group on regional development, set up by the Quebec government in 1991, when the Liberals were in office, I might add, examined the issue of the proliferation of regional development initiatives.

Government Orders

(1650)

The working group came to a very clear conclusion: confusion, duplication and overlap.

Confusion in terms of regional divisions: the federally defined regions do not match Quebec's administrative regions. Frequent confusion concerning regional officers, since there are too many government officers.

Duplication of structures: regional advisory bodies, economic development organizations, creation of program management committees to reconcile all the various types of initiatives.

Duplication that leads to operating costs that are high compared to the amount of money actually spent on development.

The Bélanger-Campeau Commission, also established by Quebec's former Liberal government, draws conclusions that are equally clear. If Quebec assumed responsibility for existing federal programs without any reduction in services, there would be annual savings of \$289 million in spending related to the collection of customs duties and taxes, \$250 million in manpower and \$233 million in transportation and communication costs.

A study indicates that 67 per cent of federal programs overlap provincial programs to some extent. This study, conducted by Germain Julien and Marcel Proulx, tells us that overlap accounts for 65 per cent of government spending, excluding the public debt and unemployment insurance. This represents \$67.5 billion and 45 per cent of personnel or 114,000 full-time employees for 1991 and 1992.

What is the origin of this overlap? Seventy-six per cent is attributable to the authority to legislate in shared areas and 24 per cent to federal spending power in areas under provincial jurisdiction.

We know all too well the consequences of these overlapping programs: increased cost of government action when it would be more economical to give one government exclusive responsibility for services provided at both levels.

Redundancy in programs: irrational use of personnel and equipment by both levels for similar activities.

The exorbitant cost of co-ordination: officials meet hundreds of times a year to check whether they are offering the same services, to harmonize program objectives and to ensure they are compatible.

Reduced effectiveness of government measures: how many times have we seen measures that are put in place by two levels of government cancel each other out for lack of consensus on objectives and priorities. Of course, no one wants to make concessions.

An additional burden on the target population, which has trouble finding its way through the labyrinth of government programs, especially when there is duplication.

Turf wars that make governments act irresponsibly. And who pays for all this? The taxpayer.

In spite of these factors, the Liberal government insists on passing legislation like Bill C-46 which dismisses out of hand Quebec's policies on regional development. The government says that it wants to eliminate duplication and overlap and then introduces a bill in which it maintains its hold on regional development.

Unlike Quebec, the federal government does not consult but implements policies from coast to coast. Consider the changes made within the Federal Office of Regional Development—Quebec. The new focus targets four areas: exports, new technologies, entrepreneurship and catalyst projects. According to the government, that is what the directors of SMEs want.

However, every region has to identify its own priorities. In our region for instance, these include tourism and culture. It will not be easy to get approval for these projects, since proposals for a cultural centre in my own riding have just been turned down. The federal government refuses to consider the specific needs of each region. We have developed instruments, including the CRD, the Conseil régional de développement, to promote regional priorities. The government could have consulted to harmonize its actions.

(1655)

All this duplication and overlap is very costly. Why should we believe today that the Department of Industry will be able to reduce waste? When reading Bill C-46, I see, like everybody else in this chamber, that it maintains the status quo—an expression dear to the Prime Minister—between the mandates and the grouped departments.

Quebec's demand for exclusive jurisdiction over regional development is nothing new. Since the Quiet Revolution, it has been constantly restated. These are not whims, contrary to what the Prime Minister said. Since then, Quebec has had governments of every political stripe, but its demands have remained the same. Federal interference is still ubiquitous, and the regions are no better off as a result.

Let us recall why the Department of Regional Industrial Expansion disappeared in 1987: the regions were not involved in the funding request development and review process. The money that could have been used to fund excellent projects was instead given to useless ones. Industrial development was favoured at the expense of regional development. Since then, we have been living the same nightmare. If the federal government believes its general agreements have improved the situation, it is quite wrong. There may be no complaint from western Canada and the Maritimes which received \$630 million and \$1.2 billion respectively, whereas Quebec received \$165 million. Is this fair? Regions can and must do more than simply supply domestic and foreign markets with raw materials.

Government Orders

It is the processing industries which create jobs and develop local resources. If we do not look after them, regions become more and more dependent. The federal government refuses to acknowledge that its approach to regional development are wrong. Yet, studies clearly show that the economic base is eroding, the social fabric is unravelling, the depopulation of rural areas is continuing, and young people are moving out of the regions.

All Ottawa is doing is regionalizing its operations by setting up regional structures. It might increase visibility, but it certainly does not improve efficiency. As we already said, federal interference causes duplication and inconsistency. The result is an administrative mess which slows down economic development in the regions and makes them the big losers.

The federal government's scope is so broad that it cannot correctly target the particular needs of a given region. As far as we can tell, FORD-Q is not free to make its action fit any total vision of local development.

It would be so simple for the government to promise to accept the priorities set by the regions, in order to maximize the impact of measures initiated by regional leaders in Quebec. Going along with the priorities set by the regions is one thing, having a third party role in the financing of regional development projects is another.

On this point, the rise in administrative costs and the squabbles with the provinces should convince the federal government that duplication between the two levels of government is damaging. This is why we insist so much on the need to decentralize budgets and decision-making. The future of the regions lies in the decentralization of power towards regional decision centres.

The government is not proposing anything to redress the imbalance in funding. While federal regional development funding has increased 50 per cent in Quebec since 1983, it jumped 300 per cent in the West and 250 per cent in the Maritimes.

(1700)

Based on figures from the Federal Office for Regional Development—Quebec itself, the federal input in regional development is inequitable. Quebec's per capita share is \$230, compared to \$240 in Western Canada and \$920 in Atlantic Canada.

Master agreements were mentioned earlier. The per capita results are catastrophic for Quebec in that regard as well, with

\$64 spent in Quebec in 1987, compared to \$431 in Atlantic Canada and \$259 in Western Canada.

The government could restore equity by cutting expenditures, as the Auditor General said, by eliminating tax breaks such as family trusts and the waste from duplication and overlap caused mostly by infringing on provincial jurisdictions, as mentioned earlier.

What would these billions of dollars be used for, Madam Speaker? This money could be used to restore equity in the amounts received by Quebec from the federal government for regional development. Quebec does not want its regional development to be built only on an industrial vision dictated by the Department of Industry in Ottawa.

Quebec has had its fill of inconsistent federal initiatives and policies. Why is it that the Quebec government has realized that the regional stakeholders are the only ones who grasp the real needs of their respective regions and the people across the way have not?

This bill is far from putting to rest the concerns that regional development organizations and all stakeholders have. The government must change course. We want Quebec to have exclusive control over the development of its regions.

We want to repatriate, in the form of tax points, the budget allocated to local development. We want decision-making and spending powers to be decentralized to the regions. This is a must for the economic development of Quebec. It is also a major component of our people's plans for sovereignty.

[*English*]

The Acting Speaker (Mrs. Mahen): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for London—Middlesex—Refugees; the hon. member for Mackenzie—Canadian Wheat Board; the hon. member for Berthier—Montcalm—Bovine somatotropin.

[*Translation*]

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Madam Speaker, I listened with great interest to the speech delivered by the Bloc member for Lotbinière, which was full of statistics—my congratulations to your researchers.

I find it very hard to understand logically how one can make such a wide-ranging speech in the House while demonstrating to this House that there is a lack of logic in Quebec on the subject of duplication.

Government Orders

The regional county municipalities that were created in Quebec in the last decade add another level of government, thus increasing administration and other costs and generating inefficiency. They then tell us that duplication must be reduced.

On the other hand, I agree that in the last nine years, the hon. member may have felt that the previous government did not look favourably on Quebec's demands.

(1705)

Naturally, since our government's first year in power, we put in place a process to eliminate duplication. We said that before asking, or requiring each province to put its house in order, the federal government would start by putting its own house in order, thus eliminating duplication in all the various departments. The process is well under way. Public consultations on industry, finance and social programs were held at all levels before we started putting our house in order.

I also find it a pity that the member for Lotbinière does not admit that maybe Quebec should eliminate duplication among levels of government which may not meet the needs of small communities. We know that normally, the larger communities in a group or collection steer the ship.

The member also raised a very interesting point, that the federal government should withdraw from provincial jurisdiction, and he mentioned forestry, for example. Today, there is a very interesting article in which the president of the Quebec farmers' union, the UPA, demands that the federal government not withdraw from programs that subsidize agriculture in Quebec.

So are people talking to each other in Quebec? Are you members from Quebec listening to what your constituents are asking for, like continued federal participation in programs?

Considering the various federal programs which assist development in Quebec, I think that the member's speech should seriously be revised because it is quite illogical.

Something else you mentioned—

Mr. Landry: Ask the question.

Mrs. Ringuette-Maltais: You will have your question. You had your speech, so I will ask my question.

He said that processing industries are a priority for the regions. I agree, but if the primary industry for developing natural resources in these regions is not a priority in the first place, how can you develop a manufacturing industry in that field?

So the question is this: How can the member, in concluding his speech, ask for a transfer of tax points, when yesterday he wanted to withdraw completely from this beautiful country?

Mr. Landry: Madam Speaker, how much time do I have left to answer? I would like to know before answering—

The Acting Speaker (Mrs. Maheu): You have five minutes left.

Mr. Landry: Thank you.

I am very pleased to give an answer to the hon. member. First, I want to thank her for confirming that my figures are accurate. I might add that she could not have said that they were not. In any case, I am very pleased because it confirms that we are telling the truth.

I could mention other examples, other incidents which have occurred in the context of the federal government versus Quebec or the United States. I agree that we have a free trade arrangement, but still. Earlier, I referred to the Federal Office of Regional Development. Where did it invest in industry? It invested many hundreds of thousands of dollars. Some people asked me not to raise this issue. The office invested hundreds of thousands of dollars in a given Quebec industry, yet the federal government simply turns around and, for a comparable or similar price, buys in the United States.

(1710)

I can tell you about this issue because I was involved in it. I said: Wait a minute; did this industry have an opportunity to bid? We are talking about a Quebec industry from my region, in which the federal government invested—listen to this—hundreds of thousands of dollars for research and development. If the federal government does not buy in Quebec but buys elsewhere in Canada, I say fine.

These are examples of duplication and mismanagement. I am telling you about what I know to be true, about what is really going on. The figures I mentioned are the actual figures.

I want to say something further about the industrial situation. In my riding, we have what is called BDCs, business development centres, which can also be found, I am sure, in other ridings as well. With \$5,000, I can create a job. And if some people can deny this, I will listen to what they have to say, but I know that with \$5,000, I can create one job. At the federal level, the infrastructure program needs \$100,000 to create just one job. Did you hear that? With \$5,000, I can create one job, but the federal government needs \$100,000 in its infrastructure program to create just one job. This is quite a difference. In fact, it is a \$95,000 difference to create just one job, since we go from \$5,000 to \$100,000. I thought I would just mention these figures.

Madam Speaker, you are indicating that I have two minutes left. I will take what time I have left to stress how important Bill C-46 is.

Government Orders

I do not want people to think that I criticize all the time. That is not my role. My role is to make suggestions, to ensure that there is some openness, but you, on the other side of the House, also need to show that you are open-minded. That is how we will be able to harmonize some of the various programs and initiatives.

The hon. member said earlier that I was very good at quoting statistics and that she could not deny these figures. I know she cannot deny them, I am not crazy!

Do you understand what we want? The hon. member recognized earlier that for the last nine years the situation has not been fair. I said so myself earlier. I always come back to the same example: it is important for a father with three or four children to treat them all equally. By treating his children fairly and equally, he avoids creating any type of quarrel.

I used some figures earlier. I understand what Quebec wants. I have seen other industries in Western Canada receiving millions of dollars in subsidies to gain access to Quebec's market, while Quebec's own industries were not receiving one penny for exactly the same products.

Madam Speaker, on the issue of fairness, let me give some advice: Render unto God what is God's and unto Caesar what is Caesar's, and everybody will be happy.

[English]

Mr. Ed Harper (Simcoe Centre, Ref.): Madam Speaker, it is my honour to rise in this House today and speak to the third reading of Bill C-46, an act to establish the Department of Industry.

Given that this act gives the Minister of Industry powers relating to trade and commerce in Canada, consumer affairs, competition, and restraint of trade, it seems only appropriate to discuss a very major impediment to growth in the economy, the interprovincial trade barriers. This act gives jurisdiction to the industry minister to deal with the very serious situation that exists in trade between our provinces.

When Canada was created out of four British colonies in 1867, the founding Fathers of Confederation had one purpose in mind. They believed that if they united they could resist being pulled into the American sphere of influence and would retain their distinct cultural heritage.

There were two strategies to implement this which they saw as essential to resisting American pressures. The first was a unified military which could better defend the borders of Canada and which did so. The second was free trade between the provinces. It was believed that the free flow of goods and services would strengthen economic, political and cultural ties east to west instead of north to south. It is quite obvious in which strategy we failed to accomplish our objectives.

(1715)

The fact is that trade in many goods between Canada and the U.S. today is freer and easier than the trade between provinces. For generations we have allowed the inefficiencies of small, protected regional markets in many goods and services to constrict the economy, hurt our political and cultural objectives and cost us jobs.

The United States is a good example of a country where wide open commerce between jurisdictions, negotiated and enforced by a national government has led to greater prosperity for the whole nation.

We are a trading nation and we have spent great energy concentrating on our external trading relationships which account for 25 per cent of our economy. The Americans count on exports for about 8 per cent of their economy yet they are a more prosperous nation. There is certainly a lesson for Canada in this. We must become much more focused on reducing barriers when it comes to domestic trade.

The Minister of Industry and the Prime Minister recently sat down with provincial counterparts to discuss eliminating some barriers. Unfortunately very little was agreed to and the status quo of small, inefficient and protected industries continues to reign.

A renewed effort is needed and if some parties are resistant to the movement the federal government should consider using some of its powers to force agreements into place. As the Prime Minister stated during the first ministers conference, thousands of new jobs will be created and this will benefit all Canadians regardless of region.

There is over \$146 billion worth of trade happening between the provinces. There are also over 300 barriers to interprovincial trade in Canada and each one costs jobs, money, growth, and competitiveness. This has hurt the province of Ontario and indeed all Canadians directly. These barriers are a problem that can be solved. Even small improvements in reducing barriers can mean big gains for the country. It is time for us to get serious about dealing with them.

I am going to examine a few examples of barriers that exist to internal trade in Canada and the effect they have on Ontario and the country as a whole. The first barrier that comes to mind is one that has a large effect on employment in my riding.

There is a modern brewery in Simcoe Centre that employs hundreds of Canadians. Over the years this brewery could have employed more people, expanded its operations and become efficient enough to compete with major American brewers. This did not happen because its market has been restricted by trade walls enforced by provinces in an attempt to protect their local brewers. The protectionism that insulated and sustained these inefficient brewers for so long could now be the death of many of them.

Government Orders

International trade pressures are forcing small breweries out of business. Brewing is a \$9.6 billion retail industry in Canada so even small reductions in production costs due to greater economies of scale will produce better prices for consumers in a much more competitive economy.

American brewers are gaining more and more access to our domestic beer market through the GATT, NAFTA and the free trade agreement. They will force out those who cannot compete. For example, a single brewery in Colorado Springs, Colorado produces all the beer under a particular label for the entire United States, a market of some 250 million people. How can we expect breweries that produce only enough product for a few million consumers to compete? It is extremely difficult to compete with that economy of scale.

Another barrier that may be less obvious to my constituents but affects them directly is the variation in provincial trucking regulations. Since each province has different size, weight, and licensing requirements there is a lowest common denominator that takes effect in interprovincial trucking. Truckers take a load that is the smaller and lighter of the two provinces' requirements and therefore a more expensive load. This ultimately hurts consumers who will have to pay more for the same products.

I believe that all Canadians wish to see this type of waste done away with and receive the most efficient and economic value possible for their hard-earned wages.

A barrier of major importance that must be dealt with quickly is the barrier each province erects when conducting its own government procurement. The provinces have a long history of purchasing from within their own borders regardless of cost. This raises the cost of purchasing, raising government expenditure and raising taxes. It also costs jobs in other provinces because the most efficient producers cannot sell outside their own provinces.

(1720)

Some jobs may be protected locally but just like the brewing industry, these local producers are insulated and inefficient. The higher taxes affect all Canadians and cost in total more jobs than protecting the local industry will save. This hurts Ontario as it hurts all Canadians.

The industry minister attempted to achieve a deal on this important subject over the summer but due to the short-sightedness of some provinces, the agreement ended up being window dressing only. It is important that he make it a high priority to get the provinces back to the table and remove these barriers to competitiveness.

Interprovincial barriers to trade and financial services creates once again a higher cost to consumers, costs financial institutions their competitive position and costs Canadians jobs. It also

affects another major employer in my riding which finds restrictions on selling its services outside Ontario.

Trust companies for example find barriers to trade in the different regulations that each province sets up. Much like the trucking industry a lowest common denominator approach must be taken to selling services in more than one market thereby increasing costs. A standard set of regulations for all provinces would eliminate administrative overhead, produce more competitiveness, lower costs for consumers and again ultimately create more jobs.

A further barrier to trade is the restriction placed on various types of labour mobility between provinces. This is of particular concern to an area such as Ottawa-Hull which straddles a provincial boundary but still affects people in my riding and indeed all Canadians.

Many of us are familiar with the dispute that erupted earlier this year between Ontario and Quebec on the issue of construction jobs. This was one of many barriers that prevented professionals and labourers from offering their services across Canada. This means competition is reduced and will result in higher costs in taxes for consumers.

Fortunately, Ontario and Quebec managed to resolve their differences on this single issue to the benefit of both. However this is the exception rather than the rule. It is time for us to sit down at the bargaining table and eliminate the many other barriers that are still in place.

It is important to reflect on the statements that have come from this government on the recent GATT agreement. The finance minister estimated that the economy would grow .4 per cent as a result of the implementation of this freer trade agreement. Estimates by the Fraser Institute on the effect of removing interprovincial trade barriers range from 2 to 6 per cent.

In other words, with GATT we spent seven years and millions of tax dollars to negotiate with 120 foreign countries an agreement to open up trading, yet we have an opportunity to realize five to fifteen times the economic benefit by negotiating among only ten provinces. Unfortunately this government has only given a very half-hearted effort to this point.

The bottom line is that interprovincial trade barriers mean lost jobs for Canada, higher taxes and product cost and a less competitive economy with which to face the world.

It is within the substance of this bill and the industry minister's mandate to reduce and eliminate all barriers to interprovincial trade and make Canada as competitive as it can be. The speed with which this minister takes action on this important issue will indicate to Canadians how serious the Liberals are about their promise of jobs, jobs, jobs.

Private Members' Business

We have an opportunity here that should not be missed. We can improve the economy. We can create jobs here in Canada and indeed hone our edge to be more competitive in the global market we are competing in today.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

Call in the members.

(1725)

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

[*Translation*]

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

[*English*]

It being 5.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on the Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

BANKRUPTCY ACT

The House resumed from October 25 consideration of the motion that Bill C-237, an act to amend the Bankruptcy Act (priority of claims), be read the second time and referred to a committee.

Mr. Boudria: On a point of order, Madam Speaker, I think you would find unanimous consent that any division bells called on the private member's item now before the House later this day be deferred as well until tomorrow at 5.30 p.m. There has been consultation with the whips of all parties to defer that vote until that time. I think you would find that consent if you were to seek it, Madam Speaker.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, this bill provides that in cases of bankruptcy wages be paid as a first priority, up to a limit of \$9,000 for each worker.

The present Bankruptcy and Insolvency Act passed in 1992 by the Conservative government maintains the preferred claim status for wages when an employer files for bankruptcy. It covers wage-earners by giving them preferred creditor status for wages earned during the six months previous to the bankruptcy, up to a limit of \$2,000.

Wage claims rank fourth in the priority of preferred claims. Since claims of secured and preferred creditors must be paid first, there is not always enough money left to cover wage claims. Workers suffer the consequences.

Progress on that issue did not lead to a fair solution for workers. The problem has been dragging on since 1980, when the Standing Senate Committee on Banking, Trade and Commerce mentioned three possible solutions. The first was to give absolute priority to wage claims by putting them first, before those of any other secured creditor. That is exactly what the hon. member for Portneuf suggested today and I want to commend him for that.

Therefore, for almost 14 years now, this House has been analyzing the possibility of amending this legislation which is unfair to workers. For 14 years, by not addressing this problematic issue, this House has shown that it does not give a hoot about the interests of workers and what they produce.

Why hesitate so much on this single issue? Because we have to choose between the workers and the banks. That is the choice we have to make.

Why have we not made any progress? Because successive governments have not had the courage to come to the defence of the most disadvantaged in our society.

We are talking here about a ludicrous situation that has been going on for years. The struggle in this area has been tough. It took 40 years of fierce fighting to have the Bankruptcy Act reviewed in 1992. Extensive consultations were held with the stakeholders and people concerned because many divergent interests were involved.

Private Members' Business

Undeniably, some social choices are at the basis of such a bill. Unfortunately, and we must be clear on this, each time it has been proposed, the idea of giving first priority to wage claims has always been defeated by the banking lobby. This is obvious in all the documents dealing with this sensitive issue.

Some members claim that this bill would cause a rise in the unemployment rate, since according to them, lending institutions might reduce the amount of credit available to businesses if employees were given absolute priority over other creditors.

Of course jobs must be protected, but one can hardly argue that the success of an SME depends on whether it can avoid paying employees the wages, leave and pension fund contributions they rightly earned.

We must also consider the precarious situation facing employees who have no way to recover wages in arrears. We cannot endorse the principle of protecting the banks and letting employees who earn a modest wage fend for themselves.

Of course bankruptcy is an unpleasant situation and it always means someone will have to pay. In this instance, the House has the option of identifying four preferred creditors and deciding which creditor will be first in line to be reimbursed. These four creditors are: the government, suppliers, lenders and employees.

The House must now decide which of the four is best able to absorb the loss resulting from the bankrupt individual's lack of assets to reimburse each creditor. Who has the most to lose and who is the most vulnerable? Is it the government? Is it the suppliers? Let me explain my point of view.

For the government, despite the dismal state of its finances, the loss would be negligible, compared with the national debt.

As for the suppliers, they can claim losses due to bad debts and thus reduce their taxable income.

I am not worried about the lending institutions. They can consider bad debts as an incentive to improve their follow-up in the future, which should increase their sense of responsibility to society instead of encouraging them to ignore their customers' problems the way they do now.

Finally, we have the employees, who have no way of absorbing the losses they suffer following a bankruptcy. In fact, under our existing legislation, employees are forced to absorb these losses. They have no alternative, no way out.

This is not intended to be an exhaustive analysis of the subject, but employees are not only penalized by being unable to recover their salaries but also because they will not be reimbursed for expenses incurred during their period of employment: food, transportation and accommodation, in some cases.

Why up to \$9,000? Because even when employers pay their employees wages every week or every two weeks, in some cases where substantial amounts well in excess of the \$2,000 guaranteed thus far may have accumulated. Money owed to the employees in excess of this ceiling is not reimbursed and they have to absorb their loss.

(1735)

In my view, this bill is a tool to motivate workers, a tool to foster productivity. Workers will be encouraged to take chances and accept compromises to help their SME go through rough times, if they are assured that at the end of the day, they will get their salary or their investment back, that is to say that they will recover their outlay before the government, banks and suppliers.

This is a far cry from the present legislation which makes workers bear the brunt of the losses by paying them back last, while we know full well that they do not get one extra penny when business is booming.

The government, by refusing to amend this unfair act, is applying double standards more than ever. I believe that amending the act and putting employees at the top of the list of preferred claims would be a matter of basic social justice, but it would seem that fairness is not a priority for the Liberal Party.

I will draw a parallel with the family trusts the Liberals are intent on protecting. This is another example of double standards where the rich are favoured at the expense of the poorest members of society.

Just as banks are protected by the Bankruptcy Act which makes sure that they are paid before the employees, the rich are protected once again through family trusts which make it possible for them to be granted a tax exemption for up to 80 years. This is a tax loophole available to the rich, while there is talk of taxing RRSPs, a plan designed for private sector employees who do not have a generous pension plan.

I repeat, this is a case of double standards.

It must be said: maintaining family trusts and the Liberals' refusal to change the order of priority of claims guaranteed under the Bankruptcy Act, serve only one purpose: to protect the wealthiest members of society.

Indeed, the family trusts the Liberals are steadfastly defending are not used by middle-income families. In this respect, I would like to quote the findings of a study by Ernst and Young which showed assets averaged \$47 million in a random sample of 121 family trusts.

I repeat, Madam Speaker, this is a blatant case of double standards.

[English]

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Madam Speaker, I oppose this bill to amend the Bankruptcy Act because it would result in inefficiencies and an unfair burden on the general public.

Private Members' Business

I can understand the motive behind the proposed legislation. Why should banks, funeral businesses and accounting firms be paid out of the proceeds of a bankrupt firm before workers who typically have fewer resources than these enterprises?

The new law presumably would reduce profits of these firms without any dire social consequences while it would prevent the misery for the families of workers who can ill-afford to lose income they have earned. However, this view is shortsighted.

In a free society and under current law funeral businesses and accounting firms do not have to take business for which they are not paid. The proposed law does not envisage changing this condition. Therefore when an estate is to be dissolved and it is clear that if after the payment of labour there is no money left for funeral expenses and accounting services, who will do this work?

I see only one answer to this question. A government will have to undertake the task or at least pay for it out of general tax revenue. People have to be buried, accounts have to be settled to meet the requirements of property laws that have existed for centuries.

Under either approach the public ends up paying for these services. Therefore, the proposed legislation will enrich workers of a bankrupt company at the expense of the general public. I do not see the fairness of this outcome, especially because the wages earned by workers in different occupations and industry tend to compensate them for all kinds of risks in the first place. I will return to a discussion of this proposition in a moment.

(1740)

Let me now turn to the not so obvious consequences of ranking secured loans below wages. This rule will increase the interest rates which lenders charge to businesses for loans for the purchase of tangible assets. This is not a malicious plot of capitalists. By doing so lenders will simply meet their fiduciary responsibility.

I venture to guess that none of us in this House would be very happy if our savings in a bank or credit union were used to lend to risky borrowers without proper risk premium and collateral. We would be very unhappy if the fiduciary holders of our money did not pool risky investments and did not make sure that on average interest earned on the pool minus payments for bankruptcy losses is equal to what they could have earned by investing our money in secure government bonds.

This is of course what lenders to business do. Therefore any government legislation like the one proposed which increases the rate of loss from loans requires an increase in the interest

rate charged to all members in the pool of risky loans. One rather obvious consequence of this action is that borrowers' profits are reduced. They will try to raise the cost of their services and products to compensate for this reduction. This can be done only to a limited extent, otherwise they would have already charged higher prices before the interest costs went up.

To the extent that they succeed and get higher prices, the money which goes to workers first in line in a bankruptcy proceeding comes from the general consumer. I see no fairness in this. A less obvious effect of the higher loan rates to business is that some firms will not be started at all. As a result the demand for labour and the wage rate are lowered.

In addition, the average amount of capital held by business will be smaller. Therefore, labour productivity and wages will be lower. In effect, the rest of labour is forced to pay for the income earned by the workers in a bankrupt firm indirectly through higher interest rates charged by lenders. I see no fairness in this.

Finally, it should be noted that the probability of bankruptcy of firms can be predicted to some degree by the characteristics of an industry, a firm or the personality of the employer. Workers are smart and know how to look after their own interests. They enter employment contracts considering their pay in light of a wide range of conditions, including the risk of their employer going bankrupt. The idea of buyer beware is relevant to goods and services as well as the sale of one's labour.

The vast majority of workers therefore will accept employment where the risk of bankruptcy exists only if their wages reflect properly this condition. Otherwise they will find employment elsewhere. They will continue to stay with a company only if they feel their wages properly reflect the risk they are taking.

The motives for doing so are complex. I certainly would not hang around and work for a company about to go bankrupt and unable to pay me wages owed unless the prospective benefits are fully worth it.

I would postulate that the wages of workers, everything else remaining the same, are higher the greater a firm's risk of bankruptcy. The proposed law would remove or significantly lower the risk of wage losses from such events. This would encourage such workers to accept employment in such industries at lower wages. They would therefore on average be no better off than they were under the present law, except that the efficiency of the economy would be reduced because there would be an over expansion of risky firms and industries and a job and output reducing tax on the rest of the workers.

Private Members' Business

There are always some people who do not obey the principle of buyer beware or who have poor judgment about the prospect of a company's bankruptcy and ability to pay owed wages. I think the number of these people is small. I have confidence in workers.

(1745)

Canadian workers are not dumb or unaware of the functioning of markets. Helping those few through the proposed legislation is very indirect and costly for reasons just discussed. Help for them should come through education and the publication of relevant information. Unions could play an important role in this process. They have the resources and are driven by the right humanitarian motives. Those who cannot be reached by these direct methods and who need help have to be taken care of by existing systems of private charity and public aid.

In sum, the present law regulating the order in which obligations of estates are settled in the case of a bankruptcy or death have existed for centuries. Institutions which have survived for so long should never be changed without very good cause.

They may appear to create injustices for some, but closer examination of their effects typically will reveal that serious unforeseen consequences are likely to arise if they are changed. The long survival of such institutions strongly implies that past efforts to improve them have failed.

I believe that my analysis of the indirect effects of the proposed change in the bankruptcy law support this view of the sociobiological evolution of institutions. I urge members of this Parliament to vote against these proposed changes.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, the purpose of the bill before us today is to move employees from fourth to first place in the legal order of precedence when a bankruptcy occurs. If it was passed, this bill would provide that when the assets of a bankrupt person or corporation were divided, the first people to receive payment would be employees instead of other people like funeral directors, lawyers and administrators, and secured claimants.

Funeral expenses, legal and administrative fees are not the main obstacle presented by this bill. Those who currently have the first right of payment are secured creditors, which is a broader and more significant category involving mortgage holders. These secured creditors are the ones who would suffer most from the enormous changes the bill would bring about in our financial system.

What are we really talking about when we speak of the order of precedence in the Bankruptcy Act? We are describing levels of risk. The one in first place on the order of precedence is taking the least risk in the case of bankruptcy, because the first one will be the first one paid out.

We know that all business ventures do not succeed. Some make it but some do not. When an employee or a lender enters into a contract with a business person, the risk of business failure is always there. The place one takes on the order of precedence will determine just how much risk one is willing to undergo.

Employees are now fourth on the list, so employees bear more risk than some others. This means they should carefully consider whether they want to give their time to a business they suspect might fail. The hon. member who spoke previous to me already pointed out that they are smart enough to make that decision already. It goes without saying that if lenders were moved lower in the order of precedence, they would have to consider more carefully than they do already whether or not to lend money to a business.

If we change the order of precedence on a broad, nationwide basis, we are making a determination about risk and who should bear it. We are also making a statement about what is most necessary in society for the efficient functioning of business. Given that we all want private enterprise to flourish, we must make the rules in such a way as to facilitate the most efficient way for all Canadians and the marketplace to prosper.

Government could put up all sorts of artificial and unnecessary barriers to the free functioning of the marketplace for one political reason or another at the expense of the efficiency in the marketplace.

For instance, the environment is important so the government could pass a zero emissions law for the auto industry, stating that automobiles could not pollute at all. In this impossible example it is obvious that the auto industry would immediately grind to a screeching halt. I merely want to demonstrate that in considering what laws to pass, governments must strike a balance between the efficiency of the market and the kind of business it wants to foster.

From that example let us move back to the matter at hand. If an employee was first on the order of precedence, the employee would be taking the least risk in the case of bankruptcy and the lender would have to incur more risk than before. This consideration of greater risk would have inevitable efficiency results in the marketplace. I want to describe what they might be.

(1750)

Certainly there would be one positive result, namely that of paying back employees who were not paid full wages or severance pay if a person or corporation went bankrupt. This would be nice for the employees. Employees are important and necessary actors in our financial system and deserve due consideration. But this is the only positive effect I have been able to think of in this bill.

This scenario is directly analogous to the auto industry I was just talking about. I maintain that the passage of Bill C-237 would have a harmful effect on employment in general in the country. It would make small business less efficient and slow the pace of economic activity across the nation. Just like a zero

emissions policy in the automobile sector would do more harm than good, I am convinced that the sum total of harm caused to employees would be vastly greater than the losses they now suffer as a result of being in fourth place on the order of precedence.

The first harmful effect a change in the order of precedence would cause would be a reduction I believe in the overall employment in Canada. A company which needed, for example, \$1 million and wanted to employ 25 people would not be able to compete for funding with a company that also wanted a \$1 million loan but was only going to employ 10 people.

The risk would be much reduced if there were fewer employees to pay out before the lender received his or her share. This would cause businesses to shy away from labour intensive enterprises and move toward enterprises involving technology even more than labour. People would become less important players in our financial markets as a result of this change and machines would become more important.

The second effect we would feel at a national level would be more important. It would have a direct impact on foreign investment. Capital is very mobile on a global basis and foreigners invest in our economy all the time. If another country had laws that would guarantee them less risk than Canada could, then their money would tend to flow out of Canada and into other safer business enterprises around the world.

Canada depends a lot on foreign capital. We cannot afford to send foreigners a message that they are not welcome here. The loss of their financing would mean less investment and fewer businesses. Again this would have a direct, more serious negative employment effect across the country.

The final effect would be the most serious of all. If lenders had to undergo more risk than they do now in lending they would be forced to think twice before lending at all. This would mean that more marginal business ventures would have a harder time raising capital. When they wanted to borrow money they would have to pay a risk premium, in other words, a higher interest rate for that money. This would mean that many businesses simply would never get off the ground because they would not be able to afford the interest payments on their loans.

Government currently plays a role, unfortunately, by lending to marginal, more risky businesses through agencies like the Western Diversification Fund and the Atlantic Canada Opportunities Agency. But the capacity of governments to do so in the future is being vastly reduced by government debt. Therefore government in this case would not be able to take up the slack in this area of the market.

We all know that many innovations never succeed but a few pay off handsomely. Innovative entrepreneurs are important in

Private Members' Business

our economy and Bill C-237 might discourage them from taking risks. Their ideas would never see the light of day if access to risk capital were reduced.

It is obvious that fewer people would be employed as a result of this restriction on lending capital. What employees gained in wage security they would lose in job security. The old adage that you cannot get something for nothing is truly relevant here. What little you might have gained in one sector of the economy you would lose far more in another. Bill C-237 would have a detrimental effect on employees.

As usual, government meddling with the marketplace would have the most detrimental effect on small businesses. I would remind members that over 97 per cent of all firms in Canada have less than 50 employees. Small business is the engine of economic growth and we want to keep fueling that engine, not choke off its fuel by unnecessary government restrictions such as the one we contemplate here today.

The argument is that we need to be kinder to employees. Somehow we need to make them more secure. But is it really a kindness to give them that kind of security and then throw them on the dole? What kind of effective security is that? It is security for some but it is unemployment for others.

As I said a few moments ago we will all be more prosperous if private enterprise flourishes in Canada. That is a given. All we need to do is discover what rules to set in place that will make this happen. I would remind members that the rules in the Bankruptcy Act are not arbitrary. They represent the interests of people acting in the marketplace over generations of litigation and thousands of cases of business relationships.

(1755)

I have stated adequately my clear opposition to this motion. It is not because I appreciate workers less than the member for Portneuf. The rules of business should maintain the overall efficiency of private enterprise because the security of private enterprise ensures job security for Canadian workers.

In my opinion, the order of precedence assigns risk in a way that benefits business efficiency. In that way it serves the public interest. It should, therefore, remain intact.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Before recognizing the hon. member for Portneuf, I would like to say that pursuant to Standing Order 44, no member, unless otherwise provided by Standing or Special Order, may speak twice to a question. It says:

44.(2) A reply shall be allowed to a member who has moved a substantive motion, but not to the mover of an amendment, the previous question or an instruction to a committee.

Private Members' Business

Therefore, the hon. member for Portneuf has the right to reply.

Mr. Pierre de Savoye (Portneuf, BQ): Thank you, Madam Speaker.

Debate on Bill C-237 that I have had the pleasure of introducing is drawing to a close. My Liberal and Reform colleagues showed no real willingness to redress the obvious injustice towards unpaid workers who assume part of the burden of their employer's bankruptcy.

Here is what the Liberals and Reformers argued. First, banks would be reluctant to lend money to companies.

Second, these same banks would lose patience more quickly when a company was experiencing difficulties.

Third and final argument, such a super priority for wage claims would be unfair to other creditors, including the Crown.

I will start by disproving the first argument. You know as well as I that generally speaking employees have no say in the way their employer runs his business. An employer can mortgage the company using his employees' salaries and wages as collateral. All creditors give legal consent for the money they loan to a company, but not employees. They have no say in the matter. Yet, their salaries, the fruit of their labour, is put up as collateral for other creditors. This is clearly unfair.

Moreover, the government does not get a penny out of unpaid wages. If salaries were to become a super priority, they would be paid to employees and the Department of Revenue would get its share. This disproves argument number 3.

The second point, that banks would be less patient with businesses in difficulty, is an interesting argument since banks are responsible for ensuring that the business to which they lend money is solvent. Banks are well placed to see if a business is able to pay its employees' salaries. If a bank lends to a business that is not able to pay its employees, it means that this institution agrees to let the workers bear the risk of the loan. Such an attitude would be both unjust and unacceptable.

Bill C-237 would force banks to be more responsible in this regard, which is highly desirable, you will agree.

This brings me to the first point. Is it true that this bill will affect the financing of businesses? I remind you that suppliers retain a right of ownership on unpaid supplies. The granting of that right in the past did not affect companies' access to funds.

(1800)

We should also note that the industry committee recently tabled a report on the Small Businesses Loans Act. Here we have a good opportunity to illustrate the interdependence and complementarity of two measures: Bill C-237 corrects a problem for

workers and the committee report enhances business financing. Consequently, the argument that business credit could be restricted does not hold any more. That did not happen in the case of a similar measure concerning suppliers and besides, the Small Businesses Loans Act could provide for that.

May I remind you that the Parliamentary Secretary to the Minister of Industry said in the second part of the debate on this bill, on October 25, that "until we have the banks acting more progressively and until their attitudes change toward small business, this bill should be defeated".

That is the main repugnant reason why some Liberals objected to this bill. That is also the main reason why all bills advocating the super priority of wage claims have failed for more than 20 years. Not for practical or economic reasons, but simply because we should wait for the banks to change their attitudes.

Well, I say no. Our workers have been subjected for too long already to the financial institution lobby. Over the past 20 years or so, in parliamentary committees, advisory committees and a stunning amount of legislation, banks have been used as an excuse to reject any piece of legislation on the priority status of wage claims, and every government has given in to the powerful banks.

In closing, let me repeat the arguments for this bill. First of all, this measure is intended to protect the driving force behind our economy, the workers. Next, the principle of priority for wage claims is one that makes up for the injustice done to workers by giving them the rank to which their work give them an indisputable right.

Moreover, this proposal will ensure that salaried employees will have better chances to be paid and paid more quickly. Let me add that the superpriority will allow them to be paid without any cost to the taxpayers. In fact, the government will get its share.

Besides, it is obvious that the risk that this superpriority would restrict credit for businesses has been deliberately exaggerated. That will not be the case. Finally, need we point out that it is not up to the workers to guarantee, with their wages, and without their consent, financial decisions made by their employers.

In its red book, the Liberal Party claims that it is committed to the principle of social solidarity, and I quote from page 73. It is stated that many of the laws and policies that previous Liberal governments enacted remain the basis of our system of social support, "through which we pool our resources to create programs that benefit all Canadians and help to sustain people through difficult times".

Therefore I ask the government members to fulfil that commitment in supporting Bill C-237 so that it can be referred to a

Adjournment Debate

committee where it will be improved before coming back to this House, so that the public can be better served.

[English]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

Pursuant to the order made earlier this day, the recorded division stands deferred until 5.30 p.m. tomorrow.

(1805)

Ms. Catterall: Madam Speaker, on a point of order. Given that we seemed to have disposed with Private Members' Business a bit early, I think if you would ask you would find there is unanimous consent in the House to call it 6.30 p.m. so that we could proceed with the adjournment proceedings.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CANADIAN WHEAT BOARD

Mr. Vic Althouse (Mackenzie, NDP): Madam Speaker, in this post-adjournment period I wish to reopen a question that I put to the minister of agriculture on Monday. I asked him whether there would be any changes in the government's policy toward the Canadian Wheat Board.

I asked this because during the election the Prime Minister was quite clear that the policy of the Liberals was to support the

board. In the election that was quite important. There was a small group of farmers demanding a dual marketing system which would have had the effect of breaking the ability of the board to put prices on grain for western farmers.

Since that time the elections for the advisory committee have occurred. That election was openly fought between people who supported a strengthened board and those who wanted the board to either disappear or have very limited powers. As it turned out, 10 of the 11 positions on that advisory board were filled by people who supported a strengthened board. This is actually the strongest electoral situation the advisory committee has been in since it was first brought into being back in the mid-seventies when I happened to be a member of it.

The turnout was one of the heaviest that there has been. We have to remember this is a mail out ballot. A lot of the ballots never get opened. They get lost in the pile of mail that comes home. On average just over 46 per cent voted. This was one of the higher turnouts. In the two eastern provinces the turnout was considerably higher than in Alberta where it was just over a third of the farmers who actually voted.

I note that some of the board's detractors are saying that this does not tell anything because the turnout was not very high. I want to point out that even in Alberta where the return was only about 36 or 37 per cent, that is higher than the U.S. congressional elections which just changed the whole outlook of that Congress. It is higher than the normal presidential elections in the United States. Forty-six to 48 per cent which is what most of the provinces had for a turnout was much higher than we see in most municipal elections and occasionally in provincial elections. I do not think we can argue that this was not a legitimately elected group.

There are some special problems that face the board at the moment and I think this newly elected group should be utilized by the minister to look at some of those problems. New grains are something rye producers in particular have shown they are willing and ready to have included in the board's jurisdiction. The advisory committee should be given that as a question to look at.

It could also be asked to provide opinions on how to integrate organically produced grain and perhaps the question of grains milled on farm or by the owner of the grain, which is something organic producers particularly want to have looked at. This is a special niche market. The board has been occupied in developing these special situations.

(1810)

I wanted to raise these in the post-adjournment debate because I think the minister is aware that there are many more things that the wheat board could be doing and I wanted to know whether the Prime Minister's assurances during the election campaign that he supports the board meant a stronger board, an expanding board, or simply a status quo kind of board. I hope the

Adjournment Debate

result of the elections would give the minister the assurance that farmers are behind an expanded and growing wheat board.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Madam Speaker, the hon. member's interest in and concern for the Canadian Wheat Board is noted and appreciated. I am pleased to have this opportunity to respond to his remarks in greater detail than I would be able to do during the course of Question Period.

The member makes reference to the most recent election of the Canadian Wheat Board's producer advisory committee and the proper interpretation to be placed upon the results of that election. The committee consists of 11 members. In the most recent election results 10 of those 11 members were identified very much as pro-board candidates who opposed any weakening of the Canadian Wheat Board, opposed the concept of dual marketing.

While this election was not a direct plebiscite about marketing systems, and while the overall producer participation in the voting was only about 40 per cent, I think it is fair to say that the vote results show an important level of producer support for the Canadian Wheat Board. I do not think it would be fair to say that the vote is the be all and end all. I do not think it would be fair to say it is the absolute last and ultimate word. It is one very important piece of evidence which is clearly supportive of the Canadian Wheat Board.

Over the course of the last year or so a controversy has been brewing among western Canadian farmers about the Canadian Wheat Board and this notion of alternative marketing systems. It is a subject upon which different groups of farmers hold profoundly different opinions. So far there has not been a rational, full, frank, objective opportunity for farmers to discuss all of those alternatives and to have a face to face analysis of the situation in a frank and logical way.

That is why I plan to carry through on a commitment that I have made to provide farmers and all interested stakeholders with that full, objective, logical, rational forum and mechanism within which to examine the alternatives, have all of those alternatives subjected to examination and cross-examination so there can be that full analysis with the full participation of the farmers. I am confident that in that process the Canadian Wheat Board will do very well.

REFUGEES

Mr. Pat O'Brien (London—Middlesex, Lib.): Madam Speaker, I would like to elaborate on a question I put to the Minister of Citizenship and Immigration on November 24,

1994. I asked what action the Canadian government is taking to ensure the human rights of Vietnamese refugees in southeast Asia.

On December 12, 1948, the year in which I was born so it is close to my heart, the United Nations Assembly passed the universal declaration of human rights. On Friday of this week the world celebrates International Human Rights Day.

I have a number of constituents from the wider area of southeast Asia and the concern has been raised with me and other members in southwestern Ontario that constituents of ours are very concerned about the safety of some of their family members in their original homelands.

Since 1988 Hong Kong has granted refugee status to Vietnamese who proved justified fear of persecution at home and I understand that since 1991 refugees have voluntarily been returning to Vietnam. The Hong Kong government is now operating a program of forcible repatriation to encourage the 24,000 refugees remaining in camps there to leave by 1996. That is the cause of the very real concern a number of Vietnamese Canadians share about the safety of their loved ones back home.

(1815)

There is no question there have been incidents of violence and assault against these refugees. In September of this year the Government of Hong Kong admitted quite candidly that 142 Vietnamese refugees were injured in a forced repatriation operation. There have been serious allegations and questions about police brutality since the repatriation program began earlier this year.

This deplorable situation has been brought to my attention by leaders of the Vietnamese community both in my own city and in southwestern Ontario, and indeed by certain segments of the media in southwestern Ontario. I share their concern. Quite frankly Canadians generally would share this concern. We do not want to see human rights violations such as these going unanswered.

I certainly applaud the actions of our own new government and of previous governments of various political stripes in being a leader in the world in accepting refugees from virtually every part of the world. We know that is true and we are all as Canadians rightly proud of that record. However there is a situation here which needs to be addressed.

I am pleased to follow up my question to the minister this evening with this statement and to explore a little further the answer the minister gave to me in the House.

Adjournment Debate

I would like to put a question to the parliamentary secretary. What other initiatives can Canada take besides accepting refugees? What other initiatives, either publicly or through appropriate diplomatic channels, does the government foresee might be taken to stop violence against Vietnamese citizens forcibly repatriated against their will?

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Madam Speaker, I would like to thank the hon. member for his question and for the concern he has shown for the situation of Indo-Chinese boat people throughout southeast Asia.

As the minister has already stated, Canada has also played an important role in the development of the comprehensive plan of action in 1989. Under this international agreement Indo-Chinese asylum seekers are screened under U.S. auspices.

Persons who are determined to become convention refugees are eligible for resettlement in a third country such as Canada. Persons who are found not to be refugees are expected to return to their country of origin. Most of the people who remain in the camps in Hong Kong have been determined not to be refugees and are expected to repatriate to Vietnam.

The non-refugees have been offered voluntary repatriation to Vietnam under United Nations supervision with an additional inducement of reintegration assistance paid by the international community.

Since the inception of the CPA in 1989 Canada has contributed \$9 million for maintaining the camps and for returnee programs; 60,000 have returned voluntarily. Unfortunately approximately 50,000 Indo-Chinese remain in the camps in southeast Asia, the vast majority of whom have been found not to be convention refugees after examination under the CPA.

The international community and Canadians expect that humane methods are used to ensure the safe return of these people to their own countries. However in a removal situation, particularly when the individual being returned is not co-operative, some force unfortunately has been employed.

Canada's response to the Vietnamese refugee crisis has been exemplary. During the first 10 years of the Indo-Chinese movement from 1979 to 1988 over 79,000 Vietnamese were resettled by Canada from the camps of southeast Asia. Since the implementation of the CPA in 1989, Canada has resettled over 19,000 Vietnamese refugees from the camps of southeast Asia. In addition, under regular immigration programs directly from Vietnam, Canada has resettled nearly 50,000 Vietnamese.

I congratulate the hon. member for London—Middlesex for raising this important question and for his concern.

[*Translation*]

BOVINE SOMATOTROPIN

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Madam Speaker, before asking my question this evening, I will briefly review the situation to show what led the Official Opposition to raise this issue.

The whole thing started when we learned that the director of the Health Canada Bureau of Veterinary Drugs, who had been on leave without pay for about a year, was lobbying on the Hill to convince some government members of the merits of the hormone called somatotropin. You will remember this hormone stimulates milk production in cows. This issue raises many questions.

The main question is: How can the minister allow the director of the bureau currently examining the possibility of releasing this hormone for market to "pressure" his colleagues or at least try to convince them of the merits of this hormone while on leave without pay?

He is still the director even though he is on leave without pay. Let us be clear on the principle of leave without pay. The person on leave without pay does not lose his or her seniority, and continues to be entitled to his or her insurance plan, pension, disability insurance and everything else.

Even if this individual is on leave without pay, he knows the staff of this bureau. We find the minister's inaction on this rather deplorable.

This week, I wanted the minister to tell us why she did not respond before and what she intends to do about this director who, in my opinion, is unduly lobbying certain members of Parliament, in view of his previous functions.

I would like the minister or her parliamentary secretary to tell us whether her departmental staff feels that this is normal and what action they will take immediately to stop this activity, so that the health department can have some credibility with the public. This department has extremely serious responsibilities, and I do not think that we should play around with such things.

I would like the parliamentary secretary to tell us what the Department of Health intends to do about that.

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, the hon. member has raised a couple of statements with regard to the presentation of the person involved to a parliamentary committee, it is my understanding, at the request of the committee.

Adjournment Debate

It is also my understanding from what we know of the issue right now that the person spoke only of issues that were public information. There was nothing spoken at the parliamentary committee level that was private information.

Second, the person did not have anything to do with the BST file within the Department of Health. Third, as the hon. member well knows, the person was also not working and was on leave of absence from the Department of Health at the time.

More important, the issue is being investigated. We cannot go on hearsay or on misunderstanding of issues. The issue is being

investigated by Health Canada at the moment. As soon as the investigations have been finished and thoroughly looked at, the minister will be reporting to the House of Commons.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.24 p.m.)

TABLE OF CONTENTS

Wednesday, December 7, 1994

STATEMENTS BY MEMBERS

Saint John Weather Office

Mrs. Wayne 8743

Violence

Mrs. Brushett 8743

Michel Tremblay

Mr. Dumas 8743

Peacekeeping

Mr. Strahl 8743

International Civil Aviation Organization

Mr. McWhinney 8744

Drunk Drivers

Mr. Maloney 8744

Justice

Ms. Beaumier 8744

International Civil Aviation Organization

Mr. Leblanc (Longueuil) 8744

Sexual Orientation

Mr. Silye 8745

East Timor

Mr. Robinson 8745

Parti Quebecois

Mr. DeVillers 8745

Radio Station CJEM

Mrs. Ringuette–Maltais 8745

Children for Peace

Mr. Gagnon (Bonaventure—Îles–de–la–Madeleine) 8745

Draft Bill on Sovereignty

Mrs. Guay 8746

Western Economic Diversification

Mr. Breitkreuz (Yellowhead) 8746

Canadian Wheat Board

Mr. Easter 8746

Small Business

Mr. Dhaliwal 8746

ORAL QUESTION PERIOD

Draft Bill on Sovereignty

Mr. Gauthier (Roberval) 8747

Mr. Massé 8747

Mr. Gauthier (Roberval) 8747

Mr. Massé 8747

Mr. Gauthier (Roberval) 8747

Mr. Massé 8747

Mr. Duceppe 8747

Ms. Copps 8747

Mr. Duceppe 8748

Ms. Copps 8748

Mr. Manning 8748

Ms. Copps	8748
Mr. Manning	8748
Ms. Copps	8748
Mr. Manning	8748
Ms. Copps	8748

Bosnia

Mr. Bergeron	8748
Mr. Collenette	8748
Mr. Bergeron	8749
Mr. Collenette	8749

Referendum on Quebec Sovereignty

Mr. Harper (Calgary West)	8749
Mr. Massé	8749
Mr. Harper (Calgary West)	8749
Mr. Massé	8749

Registered Retirement Savings Plans

Mr. Brien	8749
Mr. Martin (LaSalle—Émard)	8750
Mr. Brien	8750
Mr. Martin (LaSalle—Émard)	8750

Bosnia

Mr. Mills (Red Deer)	8750
Mr. Collenette	8750
Mr. Mills (Red Deer)	8750
Mr. Collenette	8750

Ethics

Mr. Bellehumeur	8750
Ms. Marleau	8750
Mr. Bellehumeur	8751
Ms. Marleau	8751

Nuclear Weapons

Mr. Caccia	8751
------------------	------

Mrs. Stewart (Northumberland)	8751
Government Expenditures	
Mr. Harper (Simcoe Centre)	8751
Mr. Rock	8751
Mr. Harper (Simcoe Centre)	8751
Mr. Martin (LaSalle—Émard)	8751
Collège militaire royal de Saint-Jean	
Mr. Bachand	8751
Mr. Massé	8752
Mr. Bachand	8752
Mr. Massé	8752
Gun Control	
Mr. Ramsay	8752
Mr. Rock	8752
Mr. Ramsay	8752
Mr. Rock	8752
Environment	
Mrs. Kraft Sloan	8752
Ms. Copps	8752
Reproductive Technologies	
Mrs. Dalphond—Guiral	8753
Ms. Marleau	8753
Mrs. Dalphond—Guiral	8753
Ms. Marleau	8753
Justice	
Ms. Meredith	8753
Mr. Gray	8753
Ms. Meredith	8753
Mr. Gray	8753
Banks	
Mr. Solomon	8753

Mr. Martin (LaSalle—Émard)	8754
Mr. Solomon	8754
Mr. Martin (LaSalle—Émard)	8754

Employment Equity

Ms. Cohen	8754
Mr. Eggleton	8754

Sexual Orientation

Mr. Ménard	8754
Mr. Rock	8755

Gun Control

Mr. Breitzkreuz (Yorkton—Melville)	8755
Mr. Rock	8755

Privilege

Sir John A. Macdonald

Mr. Milliken	8755
--------------------	------

Points of Order

Parliamentary Language

Mr. Harvard	8755
The Speaker	8756

ROUTINE PROCEEDINGS

Ways and means

Notice of Motion

Mr. Peters	8756
------------------	------

Government Response to Petitions

Mr. Milliken	8756
--------------------	------

Employment Equity Act

Ms. Blondin–Andrew 8756

Income Tax Act

Bill C–294. Motions for introduction and first reading deemed adopted 8757

Mr. Bryden 8757

Peacekeeping Act

Bill C–295. Motions for introduction and first reading deemed adopted 8757

Mr. Strahl 8757

Petitions

Human Rights

Mr. Szabo 8757

Mrs. Ur 8757

Assisted Suicide

Mrs. Ur 8757

Rights of the Unborn

Mrs. Ur 8757

Young Offenders Act

Mrs. Hayes 8758

Gun Control

Mr. Mayfield 8758

Young Offenders

Mr. Mayfield 8758

Seniors

Mr. Pomerleau 8758

Gun Control

Mr. Jordan 8758

Rights of the Unborn

Mr. Malhi 8758

Assisted Suicide	
Mr. Malhi	8758
Killer Cards	
Mr. Malhi	8758
Human Rights	
Mr. Malhi	8758
Mr. Hermanson	8758
Assisted Suicide	
Mr. Hermanson	8759
Gun Control	
Mr. Martin (Esquimalt—Juan de Fuca)	8759
Assisted Suicide	
Mr. Martin (Esquimalt—Juan de Fuca)	8759
Official Languages	
Mr. Martin (Esquimalt—Juan de Fuca)	8759
Human Rights	
Mr. Martin (Esquimalt—Juan de Fuca)	8759
Mr. Shepherd	8759
Assisted Suicide	
Mrs. Barnes	8759
Human Rights	
Mrs. Barnes	8759
Dangerous Offenders	
Ms. Beaumier	8759
Pearson International Airport	
Ms. Beaumier	8760
Homemakers Compensation	
Ms. Beaumier	8760

Assisted Suicide

Mr. Harris 8760

Gun Control

Mr. Hart 8760

Human Rights

Mr. Graham 8760

Assisted Suicide

Mr. Bodnar 8760

Canadian Wheat Board

Mr. Bodnar 8760

Rights of the Unborn

Mr. Bodnar 8760

Human Rights

Mr. Bodnar 8760

Mr. Bryden 8760

Questions on the Order Paper

Mr. Milliken 8760

Motions for Papers

Mr. Milliken 8761

GOVERNMENT ORDERS

Department of Industry Act

Bill C-46. Motion for third reading 8761

Mr. Manley 8761

Mr. Berger 8761

Mr. Leroux (Richmond—Wolfe) 8763

Mr. Berger 8766

Mr. Schmidt 8767

Mr. Landry 8771

Mrs. Ringuette–Maltais	8773
Mr. Harper (Simcoe Centre)	8775
Division on motion deferred	8777

PRIVATE MEMBERS' BUSINESS

Bankruptcy Act

Bill C–237. Consideration resumed of second reading	8777
Mr. Marchand	8777
Mr. Grubel	8778
Mr. Strahl	8780
Mr. de Savoye	8782
Division on motion deferred	8783

ADJOURNMENT PROCEEDINGS

Canadian Wheat Board

Mr. Althouse	8783
Mr. Goodale	8784

Refugees

Mr. O'Brien	8784
Mr. English	8785

Bovine Somatotropin

Mr. Bellehumeur	8785
Ms. Fry	8785

Appendix