

House of Commons Debates

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OFFICIAL REPORT (HANSARD)

Wednesday, October 4, 1995

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Wednesday, October 4, 1995

The House met at 2	p.m.
	Prayers

STATEMENTS BY MEMBERS

[Translation]

VIOLENCE ON TELEVISION

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, in Winnipeg last week I had the privilege of taking part in the CRTC's regional consultations on violence on television, violence which, I believe, has a negative impact on our children.

[English]

Parents need better information and better tools to ensure they can make wise decisions with respect to the kinds of programs they want their children to watch.

The industry must continue to self regulate. A standardized classification system is needed. New technology, for example the V-chip, could also be extremely helpful to parents. Media literacy for parents and children is required.

[Translation]

I would urge hon. members to work together to ensure that television becomes a positive tool for us and especially for our children.

ROY ROMANOW

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, Roy Romanow, who also took part in the strong-arm tactics against Quebec when the Constitution was patriated unilaterally in 1982, has stated that francophones in Saskatchewan may lose the governance of their schools if the Yes side wins in the referendum in Quebec.

Condescending and irresponsible, that kind of statement is typical of a man who would stop at nothing to impose his views.

In the past, Mr. Romanow has shown that to be the case. He has no respect for francophones or Quebec. The question now is, whether his attitude reflects the views of Canada today.

If it does, if the survival of francophones outside Quebec depends solely on the presence of Quebec within Canada, the Canadian ideal of equality in diversity has ceased to exist. If that is the case, respect for our most fundamental rights no longer exists. Too bad for Canadians who still had a dream.

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[English]

WOOD BISON TRAIL

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, I congratulate a Canadian company on a noteworthy accomplishment.

Syncrude Canada, a mining company and major contributor to the economy in Canada, has just opened a nature trail north of Fort McMurray that reflects the mining industry's commitment to Canada and our environment. In the spirit of co-operation and responsibility, the Wood Bison Trail was opened by the premier of Alberta at a ceremony attended by 4,300 spectators.

Most notable is the trail's entrance which is marked by a native carving of bison that stretches 30 feet in the air. It is called the Bison Gateway and was sculptured by the native artist Brian Clark. This monument marks Syncrude's \$2 million reclamation project on a mined out area around Wood Bison Trail. As further evidence to this commitment a herd of wood bison has been reintroduced to the area after being extinct for hundreds of years.

I congratulate everyone involved in this project. It is an example of what can be accomplished when government, industry, environment and native groups work together to harvest our resource wealth and leave the area productive for future generations.

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INNU COMMUNITY RELOCATION

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, yesterday I had the opportunity to meet with an

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Innu delegation making representations with regard to the relocation of its community from Davis Inlet to Little Sango Pond.

The delegation informed me that on February 25, 1994 the Innu people received a statement of political commitment from the ministers of Indian affairs, health, justice, as well as the Solicitor General of Canada. Through these ministers the Government of Canada agreed to support the relocation subject to a number of conditions. The delegation has informed me that these conditions have now been met and the community is anxious for a favourable federal cabinet decision that will begin the process of its relocation.

Today I want to put on the public record that I am completely supportive of the Innu relocation to Little Sango Pond. They have satisfied the terms and conditions required and it would seem that the federal government has a clear obligation to respect its commitments as set down in February 1994.

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PRIME MINISTER OF IRELAND

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, recently the Prime Minister of Ireland, Mr. John Bruton and his wife, Finola Bruton, visited Canada. Mr. Bruton, whose title in Irish is Taoiseach, visited several cities, including Ottawa.

As a Canadian member of Parliament of Irish descent, I was honoured to be invited along with several of my colleagues by our Prime Minister to meet and dine with Prime Minister Bruton.

In his excellent comments that evening Mr. Bruton praised Canada as a nation of diverse peoples who have learned to respect our differences and live together in peace.

As the people of Quebec prepare to vote in the referendum on October 30, it is the fervent hope of other Canadians that Quebecers will choose to remain a very important and cherished partner in a united Canada.

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STAND UP FOR CANADA

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, tonight at the National Press Club, Canadian recording artists the True Grit Band will be making their debut performance of "Stand Up For Canada", a song celebrating Canadian unity written by Mr. Jim Chapman, a talk show host at CKSL News Radio in London, Ontario. This world premier performance will be recorded for posterity by the nation's music station MuchMusic.

It should be noted that this song was brought to the True Grit Band's attention by my patriotic colleague and percussionist, the hon. member for London East.

"Stand Up For Canada" is a creative expression of the pride possessed by Canadians from sea to sea to sea. The song is sung by the members for Madawaska—Victoria, Halton Peel and Bonavista—Trinity—Conception. Instrumentals are provided by the members for Glengarry—Prescott—Russell, Sault Ste. Marie, Lincoln, Sarnia—Lambton and yours truly from Hamilton West.

I ask all my hon. colleagues in the House to show support for our great nation and "Stand Up For Canada".

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JACK GATECLIFF

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, on November 20, St. Catharines' well known sportswriter, Jack Gatecliff, will be inducted into the Hockey Hall of Fame.

Better known as the Gate, Jack Gatecliff is best known for his constant friendly smile and personable nature. He is also a hockey historian who has dedicated his life to writing about the sport.

In 1950 Jack began writing for the St. Catharines *Standard*, a five times a week column called "Through the Sports Gate". He officially retired as sports editor in 1991, more than 10,000 columns later.

His love of sports shone through in every article he wrote and he still contributes to the *Standard* on a regular basis. As a hockey player Jack played with the Junior A team in St. Catharines. As a writer he spent countless hours covering Canada's two national sports, lacrosse and hockey. For years Jack Gatecliff kept St. Catharines' sports fans up to date.

I know my colleagues in the House join me in congratulating Jack Gatecliff on his induction into the Hockey Hall of Fame.

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• (1405)

[Translation]

LAURENT BEAUDOIN

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, in the current referendum debate, Bombardier President Laurent Beaudoin should recognize Quebec's contribution to the success of his company instead of hinting that it might leave the province if the Yes side wins.

Such comments are insulting, not only to the sovereignists but to all Quebecers who contributed to the success of Bombardier and were proud of it.

We should remember that government backing, with the support of Quebec taxpayers, was a major ingredient of that success.

I would ask Mr. Beaudoin, who heads Bombardier, a symbol of Quebec entrepreneurship, to put his talents at the service of his compatriots, whatever the outcome.

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[English]

SWIM FOR LIFE

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, sometimes one outstanding act of courage and commitment stands out and brings to prominence national issues as no spoken or written word can. Such is the case of the completion of a 20-day marathon swim by Fin Donnelly of Coquitlam who on September 24 completed a mammoth swim down the Fraser River. He completed the arduous 1,325 kilometre journey in 20 days.

Fin Donnelly's "Swim For Life" was a personal campaign to raise awareness about environmental abuse of the Fraser River and the need to protect this unique waterway. In his 20-day journey Fin kept up a gruelling pace in spite of personal and natural obstacles.

In dedicating his swim to the need to preserve our waters against pollution abuse, Fin has challenged individuals, businesses and governments that may be part of the problem to become part of the solution.

I join with my constituents in recognizing this young man's courage and commitment in preserving one of Canada's great natural resources, the Fraser River.

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[Translation]

FRENCH LANGUAGE

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, recently the Saint–Jean Baptiste Society said that if Quebec did not start protecting the French language, francophone Quebecers would become a minority.

Language is one of the most important aspects of a culture. The richness of the French language is recognized throughout the world. For many centuries, French was spoken not only in France, but in many other countries as well. In fact, French was the language of diplomacy.

Today, in Canada, there are thousands of French immersion courses. In my riding, in Vancouver East, Hastings School offers French immersion courses. When I visited the school, I was surprised at the level of language knowledge and comprehension among sixth and seventh grade students.

I believe in a bilingual and united Canada. We must keep it that way.

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REFERENDUM CAMPAIGN

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, the Comité des Québecois et Québécoises pour le non has had to give in and prepare the budget for year one of an independent Quebec, having realized that, despite repeated calls for it by the general public and the business community, the Quebec separatists were still refusing to put any figure on their plans for separation.

The first year budget as presented yesterday represents a scientific update of what the leader of the Parti Quebecois had presented in 1973.

From it we learn that an independent Quebec will inherit a deficit of \$15.6 billion, minimum. Quebec workers will therefore find themselves having to pay at least \$3,000 in additional taxes annually.

Quebec's separatists refuse to talk about the costs of separation. We shall do it for them, since the public has a right to know. On October 30, the answer to the project for separation will be No.

REFERENDUM CAMPAIGN

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, yesterday the PQ leader found out that not all mayors concerned with the day to day administration of their municipalities will commit lightly to any project without finding out first what the costs and impacts will be.

The mayor of Montmagny, Jean-Claude Croteau, took advantage of the presence of the PQ Premier in his region to invite him to indicate in advance what the offer of partnership to be made to Canada the day after a yes vote would be.

The supporters of separation refuse to make that offer of partnership public, because they know full well that an economic and political union between an independent Quebec and Canada is impossible. The only real option they are pursuing is separation. The rest is just another example of smoke and mirrors to confuse the public.

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QUEBEC-CANADA ECONOMIC UNION

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, the leaders of the federalist side would have Quebecers believe that English Canada could manage without a partnership agreement with a sovereign Quebec.

The economic reality is that Quebec is the second-ranking partner of English Canada, far ahead of Japan and Germany.

(1410)

The economic reality is that Quebecers purchase \$420 million worth of fish and other food products from the Atlantic provinces every year. That there are \$850 million worth of oil and

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natural gas sold to Quebec by Alberta. There is Bay Street, the financial heart of Toronto, which would lose \$2.8 billion in insurance and financial services business. And there are the \$1.3 billion worth of car and truck purchases from the Ontario automobile industry by Quebec.

Yet they are trying to make us believe that a partnership is not in the interests of Quebec and the rest of Canada. Really, now.

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[English]

LIBERAL PARTY

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I would like to pay tribute to the opposition in the House. People may think I am talking about the Bloc or the Reformers. No, I am talking about the Liberals. If it looks like opposition, talks like opposition and smells like opposition, then it must be opposition.

The Liberals have pretty well abdicated leadership and have vacated the role of promoting real solutions to Canada's problems. The Reformers on the other hand are acting like government by proposing real, workable, common sense solutions.

It was the Reform Party which proposed a clear response to the Quebec referendum. The Liberals caught up about a week later. We have urged since the beginning that it is most important to set real targets on balancing the budget. We hope they will catch up soon.

The Liberals spend more time criticizing Reformers than they spend promoting their own proposed legislation because they do not seem to have any. The most significant evidence is that they are now filibustering their own bills. While the important issues of the nation go unnoticed, the Liberals are talking endlessly on the few trivial bills now before the House.

The Liberals may not be ready to govern but the Reformers are.

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[Translation]

LEADER OF THE OPPOSITION

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, the Leader of the Opposition told journalists candidly that he is not ruling out the idea of one day being the premier of Quebec.

Is there some connection between his statement and the comments made two days ago by the PQ Premier? He repeated yesterday, for the second day in a row that he is beginning to feel the years and that he is opening the door to his successors.

Is this some new trick, a change in direction or simply a message the Leader of the Opposition is sending to militant Quebec separatists to get them to prepare for the days after the referendum? Regardless of what happens with the political career of the leader of the Bloc Quebecois, we must not lose sight of the fact that his primary objective is Quebec's separation. Our response to that will be no.

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LEADER OF THE ACTION DÉMOCRATIQUE DU QUÉBEC

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the leader of the Action démocratique du Québec was in the Outaouais region yesterday. He tried to convince people that the partnership between an independent Quebec and Canada would be guaranteed the day after Quebec's separation.

The separatist leader of the ADQ justified his confidence in such an agreement by stressing that it was simply good common sense.

Earlier in the day, the separatist leader touched on the future of federal public servants in an independent Quebec and said that nobody would be dropped for a period of two years.

The people in the Outaouais have good common sense and know very well that separatist promises will bring them nothing. This is why they will vote no on October 30.

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[English]

HOCKEY

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, nothing defines Canadians more than their love for the game of hockey and its colourful heroes who have brought so much joy to so many.

Long before words like arbitration and agent became part of the game's vocabulary, names like Bathgate, Howe, Mahovlich, Beliveau, Kelly and Richard were being claimed by runny nosed shinny players on rinks across Canada. I know because I was one of them, as were many of my colleagues in the House.

We may have lost our breakaway speed, but we will always remember the smooth stickhandling of a Jean Beliveau, the sure slapshot of Frank Mahovlich, the fierce intensity of Henri "Pocket Rocket" Richard, the clutch goal of Paul Henderson, the sharp elbows of Gordie Howe, the tenacity of Ted Lindsay, and the feared hip check of Pierre Pilote.

I am sorry Mr. Meeker, but I only remember how you taught the game on TV. These individuals personify character, class and charisma. Most important, they made it fun for us to be kids. For that I thank these gentlemen.

ORAL QUESTION PERIOD

• (1415)

[Translation]

INDUSTRY CANADA

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, now we know that to get applause from all sides of this House, you have to play hockey.

In its secret document prepared for Operation Unity, the federal Department of Industry made a list of Quebec companies, indicating subsidies they had received or will receive from Ottawa. And all for the sole purpose of urging business leaders to support the No side. By strange coincidence, yesterday senior executives of one of the companies targeted by Industry Canada, Spar Aerospace, urged employees at the plant in Sainte–Anne–de–Bellevue to vote No.

My question is directed to the Prime Minister. How can he go on claiming that Industry Canada's secret document is a routine economic report, when it actually lists the political views of top business leaders?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Canadian government has a responsibility to ensure that jobs are created in Canada and that jobs are kept. That is our responsibility. And as politicians it is very important for us to know what we are doing for businesses in Quebec, because the important thing is to keep those salaries and jobs in Quebec.

I was once Minister of Industry, Trade and Commerce, and that was quite a few years ago. When Canadair was closing its doors, which would have had a disastrous impact on Spar Industries, we managed to save Canadair. When General Dynamics was leaving Canada, as Minister of Industry I took action, and today, Canadair is the best company in Quebec. And Canadair buys services from Spar. We want those jobs to be kept. This is very important.

In fact, the workers themselves admitted as much, because when I left politics, members of the Canadair employees' union asked me to work for them, and they told me: "You are aware of our needs. When we needed you, you were there. We want you to keep working for us". I am concerned about workers' wages, about high tech jobs for Quebec and ensuring that the markets will still be there, not only in Canada but throughout the world, for the benefit of the economy and the people of Quebec, especially in the Montreal region.

Oral Questions

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I am still looking for the connection the government seems to see between job creation and examining political views of business leaders. The document we are tabling today contains an analysis, an assessment of the likelihood of influencing members of the Kruger family. That is going a bit too far and has no connection with jobs.

In the same secret document prepared by Industry Canada, we read, and I quote:

[English]

"The threat of cutting support for world class industrial facilities such as Pratt and Whitney, Spar Aerospace, and Canadian Marconi might bring reaction and support for the federalist cause".

[Translation]

How can the leader of the government keep denying that Operation Unity is actually blackmailing companies like Spar by threatening to cut off federal subsidies for research and development unless they speak out on behalf of the No side? [English]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is the duty of the government to make sure everybody understands what this is all about. This is all about a party dedicated to destroying Canada. You do not break up a country that easily anywhere in the world.

• (1420)

Our preoccupation is very simple. We want to keep the country together. We can have industries in Quebec, we can have industries in Ontario and the rest of Canada that can compete in the world. It is our duty to tell that to Quebecers, because if they vote yes and there is a separatist government there can be no guarantee they will be able to have the same types of operations in Quebec.

The leaders of the unions can talk, but the owners of a company do not know what they talk about.

[Translation]

What does Mr. Beaudoin want? He wants to maintain the number of jobs Quebecers have with Bombardier in Quebec. That is his concern. He is doing this first of all for the sake of the workers, their salaries and the shareholders, and it is his responsibility to do so.

If we can help people tell workers in Quebec that they are taking a risk by voting Yes, it is our duty to tell them that, in their own interests and those of their families, they should vote to stay in the best country in the world: Canada.

[English]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the first duty of any government, federal or otherwise, is to respect democracy, to let people enjoy their freedom of opinion.

Democracy calls for the respect of the freedom of those people, whether business people or anybody in Canada, to be free to express their opinions and not be forced to be federalists because of blackmail. It is not very noble to be federalists because we are blackmailed.

[Translation]

Mr. Speaker, would the Prime Minister admit that what the vice-president of Spar Aerospace told his employees yesterday is a direct result of this conscription exercise in which Ottawa is pushing business people to support the No side?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, everyone has a right to express his opinions, including heads of companies. And they have an obligation to tell their employees—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): Yes, they have an obligation to say so.

Mr. Leroux (Richmond—Wolfe): Not by using blackmail.

Mr. Chrétien (Saint-Maurice): Mr. Speaker, since when is the truth blackmail? Since when is telling people that their economic and political future is at risk blackmail?

We are telling the truth. We are not looking for trick questions with "virages and mirages". We want to tell Quebecers the truth. We have proved in Canada that we can live together, even if we do not all speak the same language or have the same colour skin. I am delighted to see the best example of what we can do in Canada in our gallery today: hockey players who worked as a team.

[English]

They have proven they can become the best in the world, French and English, but all of them proud Canadians.

● (1425)

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, it is distressing to note that the Prime Minister is prepared to use every means to ensure his truth wins, including standing behind documents that advocate blackmailing business.

The Prime Minister persists in claiming this is perfectly normal. Imagine, it is perfectly normal for Industry Canada to keep the political opinions of the heads of Quebec business on file. The Prime Minister thinks it is perfectly normal for a government document to describe ways to armtwist Quebec businesses into voting the way the Prime Minister wants them to.

When the Industry Canada document identifies the political affiliation of a number of heads of Quebec businesses, when it

lists the subsidies granted them, when funding cuts to Spar, Pratt & Whitney or Canadian Marconi are threatened, how can this still be claimed to be a simple matter of economics and not a political matter for the special unit of the Prime Minister's office?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, quite frankly, the people in the Bloc Quebecois are really desperate. Two days ago we were being accused of giving Quebec nothing for research and development.

Do you recall, hon. members, Mr. Speaker?

Some hon. members: Yes.

Mr. Chrétien (Saint-Maurice): We were not doing enough. Now we are doing too much, because we told the people of Quebec that these industries developed thanks to the presence of the federal government. The federal government has been giving subsidies to these businesses for 25 years. They are not being given because of an upcoming referendum. Twenty-five years ago we developed these programs of assistance to industry, which have resulted, in certain sectors, in Quebec workers being able today to sell their products worldwide.

This is why the heads of business who succeeded, with the help of the federal government, in developing these businesses want to keep them for the benefit of people working there.

Mr. Beaudouin probably has a pretty solid bank account, but if a disaster strikes, it will not be he who suffers, it will be the the families of people working in his plants. These are the people we want to protect, rather than leap into the void in the adventure that these folks here are proposing for Quebec. Quebecers know they are living in Canada, the best country in the world, and on October 30, they will vote for Canada.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, if the Prime Minister would like to talk research and development, he should take note and acknowledge before the cameras and before this House that the document prepared by his officials confirms the figures quoted by the official opposition last week to the effect that only 17 per cent of all research and development is done in Quebec, when the figure should be much higher than that. It should be at least 30 per cent.

Indeed, Mr. Speaker, it is not desperation when we call for candour and a clear statement from the Prime Minister, an admission he should be making.

Some hon. members: Oh, Oh.

The Speaker: The question please.

Mr. Gauthier: In a democratic society such as ours, how can the Prime Minister find it normal and try to tell the House that a group of officials in the federal government's Special Operations Unit, connected with his office, is systematically violating the charter of rights and freedoms by classifying the heads of Quebec businesses according to their political affiliation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, our request was not very complicated. We simply asked officials to tell us the truth about federal involvement in Quebec businesses.

(1430)

It is very important for them to know, because we want people to know the truth. We did not do as the Bloc Quebecois and the Parti Quebecois did and say: "We will come up with a winning question". Not a real question, a winning question. They did not want to tell Quebecers they are separatists. The leader of the Bloc Quebecois, the Leader of the Opposition, told the Americans, because they do not understand what the word "souverainiste" means, and besides, it is not in the French dictionary—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): It is in the new Quebec dictionary which has not been approved by the Académie Française.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint-Maurice): For the first year, because we silenced them a few times recently.

The leader of the Bloc Quebecois said to the Americans: "I am a separatist". But he did not have the courage to go to Lac-Saint-Jean or Trois-Rivières or Rouyn-Noranda or Montreal and say: "I am a separatist". Everyone knows I am a Canadian and that I will still be one on October 31.

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[English]

NATIONAL DEFENCE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my question is for the Prime Minister.

Both the Canadian people and our armed forces deserve better than the culture of cover—up which has taken hold of the Department of National Defence. It seems that every day we discover new evidence of deception within the DND hierarchy. Access to information documents are forged. Police investigations are obstructed. Evidence is destroyed.

We have warned the Minister of National Defence repeatedly, yet he has adopted a hear no evil, see no evil attitude and continually expresses confidence in his senior officials. Canadians have lost confidence.

When will the Prime Minister recognize the chronic systematic failure of the leadership in the Department of National Defence?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think Canada is very well served by a very good Minister of National Defence.

Oral Questions

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, the Prime Minister is just like the defence minister. He is hiding behind camouflage. The failure is in leadership and it begins at the top.

The most basic principle of parliamentary democracy requires the minister to take responsibility for the decisions of his officials.

Why should we be surprised when officers in the Canadian forces chain of command begin passing the buck? This is an example set by the minister.

My question is for the Prime Minister. Who is calling the shots in the Department of National Defence? When will he appoint a minister who will take responsibility for the defence department?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, in response to the hon. member, the critic for the third party, he is suggesting there have been cover—ups.

Let me just tell him, his party and the House that it was this government that commissioned the inquiry into the Somalia events and the deployment of the Canadian forces. It was this government that made all the documents, every single document related to that inquiry, open to the public. It was this government that made available and encouraged members of the Canadian forces to appear in front of the commission and to do everything they could to bring light to the commission.

This government has not just been open; it has been terribly open.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, terrible is the correct response for sure.

I remind the parliamentary secretary that external inquiries are not the question. It is the question of the internal inquiries where cover—ups, corruption and mismanagement are the daily practice at DND.

The Prime Minister knows the Canadian Armed Forces has served the country with honour. He knows that his minister has lost the respect of Canadians and has entirely lost control of his department.

Why does the Prime Minister refuse to demand the resignation of the Minister of National Defence who consistently demonstrates poor judgment and flees not only from his responsibilities but from questions in the House.

• (1435)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think the parliamentary secretary very eloquently explained the situation.

When we formed the government there was this problem which was created before we came into government that was causing a lot of problems. We decided to get to the bottom of it.

There were some very difficult decisions to be made. For example, when we had to decide to dismantle the airborne regiment it was not easy to do. I think it was the right decision. Now all the files are available to everybody and an inquiry has been named that will look at every document.

It is public. The press is there. How can we be more open than that? All the documents are there.

The incident in Somalia occurred before we formed the government but there was a desire by the public to get to the bottom of it and the commission will get to the bottom of it. It will make recommendations. If there is some need for changes in the way decisions are made in defence, we will change them. But so far so good.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): Yes, yes. There is an inquiry and the minister has made available everything required by the commissioners. It is a public inquiry and we will wait for the results. After that if there is a need for changes we will make them, but first we will let the inquiry do its job.

The Speaker: I would ask colleagues to keep the questions and the answers short.

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[Translation]

INDUSTRY CANADA

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in the secret Industry Canada document it is stated that Oerlikon will likely adopt a federalist position in private, but that its public position will be determined by its head office instead. We also know that the Minister of Intergovernmental Affairs has recently been in touch with that company.

Can the minister assure us that neither he nor any member of his staff has used the fallout benefits from the armoured vehicle construction contracts to pressure Oerlikon to position itself on the No side, as recommended in the secret Industry Canada document?

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, the only communication between myself and Oerlikon has been one letter in which I forwarded to them, with General Motors' permission, a letter from GM stating that there would be discussions between the two companies to see whether it would be possible for Oerlikon to take part in the General Motors contracts.

That is all there was to it, and the allegations of the opposition are once again based on dreaming, obviously in technicolour, and without any basis in fact.

Mr. Gilles Duceppe (Laurier—Sainte—Marie, BQ): Mr. Speaker, no, the dreams were in black and white, a printed black and white document from the Department of Industry, a secret document. He might read it from time to time. It would be helpful to us if he took time off from his dreaming to read something once in a while. How can the minister explain that Ottawa continues to put off clarifying its intentions concerning the regional benefits of the contract to purchase armoured vehicles, while as long ago as March Oerlikon was being clearly identified in a secret Industry Canada document as a possible subcontractor for the tank turrets?

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, once again the opposition is mixing all kinds of issues together. Oerlikon and General Motors will be discussing their plans to perhaps enable Oerlikon to obtain subcontracts from General Motors.

But to give you an idea of what is really in the Department of Industry document referred to, I will read you some excerpts. For example, in the aeronautics sector, what the "secret" Department of Industry document says is as follows: The generally stable climate and the availability of funding programs are what have been responsible for the industry's continued growth. The threat of separation might offer the companies an opportunity for out of province consolidation and restructuring.

• (1440)

That is what the document has to say about companies in the aeronautical sector. I might mention other sectors, but the conclusion is that this document states very clearly that separation will cost Quebecers dearly in all of the province's industrial sectors.

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[English]

NATIONAL DEFENCE

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the destruction of the two videotapes by Colonel Kenward is clear evidence of a violation or an obstruction of justice.

Colonel Kenward's promotion is an exoneration of wrongdoing determined by the most senior members of our military and viewed by many as a cover-up. Clearly an external inquiry into the operation of the entire military apparatus beyond the mandate of the present hearings is justified to reassure Canadians that the integrity of our military is beyond question and functioning within the confines of law.

Will the Prime Minister authorize such a broad and all encompassing inquiry?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, with respect to the issue of promotion of the officer in question, I have to tell the hon. member and the House there is a system in place that has existed for 43 years.

That system essentially is that the chief of the defence staff is responsible for promoting officers and non-commissioned ranks up to the rank of colonel. The minister is responsible for all general officers' promotions.

The system is in place to prevent political interference. It works and it worked on this occasion. If the hon, member is suggesting that we politicize the system of promotion then I suggest he is suggesting the wrong thing. The Canadian forces would not agree. The House would not approve it and the Canadian public would be appalled.

He would be the first one to scream if this were the case and I would be there to join him.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, this is another incident of preferential treatment under the law for certain Canadians. The destruction of evidence by Colonel Kenward is clearly a violation of the law. His exoneration by military brass rather than through due process places our rule of law in disrepute.

Could the Prime Minister explain to the House why this senior military officer was promoted rather than held accountable for his actions? Why do we not all stand equal before the law?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I ask the hon. member in asking questions to make sure he has his facts correct.

I remind the House of something that came out yesterday. Had he watched the press conference by the chief of the defence staff, he may have discovered that he was not entirely correct in his question.

The senior judge in the Canadian forces, the judge advocate general, on the recommendation of the chief of the defence staff and the commander of land forces, did a special inquiry and concluded that the officer in question did nothing illegal.

With respect to being open, I have to tell the hon. member who talked about destroyed tapes that these were copies. The original tape is now answering to our question and a previous question about transparency.

In addition to all the things the Prime Minister and I mentioned, the particular tape is also available to the commission of inquiry.

[Translation]

INDUSTRY CANADA

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The secret document intended for Operation Unity reveals that top executives at CAE Electronics, a subsidiary of the parent company in Toronto, strongly support federalism in private. It also indicates that they will publicly follow in the footsteps of their Bombardier and Marconi counterparts.

Can the minister, who is obviously well aware of the referendum position of potential government contractors, tell us what contract he has set aside for CAE Electronics should its executives come out publicly in favour of the No side?

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, the opposition is repeating—in the hope of making it come true—the allegation that there is a link between the analysis of various industrial sectors in the Industry Canada document and federal subsidies to these industries.

• (1445)

There is clearly no link between the two. What the report correctly describes is the fact that a great many Quebec industries are dependent on various federal subsidies and that if Quebec separates from the rest of Canada, many Quebec businesses will go bankrupt. That is simple. That is clear. That is transparent.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, how does the minister explain the fact that this document clearly identifies CAE Electronics as the only potential contractor in Quebec for the maintenance of the four used British submarines, which the government is about to acquire at a cost of over \$1 billion?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, perhaps we should wait until we buy them before deciding who will maintain them.

* * *

[English]

THE ENVIRONMENT

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the Deputy Prime Minister has accused the Alberta environment minister of racism.

What he actually said was: "If there's something like the expansion of the ski hill in a national park, that's your jurisdiction, not mine. And if it's something on an Indian reserve, that

yours, not mine—if we're not going to work in the spirit of trust and co-operation we've got a major problem".

We have a major problem. When will this minister apologize to Ty Lund for her misrepresentation of his remarks?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in June Ty Lund gave an interview to Vicki Barnett of a newspaper in Alberta in which he said, and this is his quote in June in reference to the meeting that took place: "Referring to federal minister Copps, Lund said, 'Come on, lady, if you want to come to Alberta and see what's happening with Indian reserves and logging, we would have had it shut down and charged them a long time ago. Where have you been? In our last meeting with Sheila Copps—she's an interesting lady—she was giving me the gears for trying to get into a harmonization. She sput and sputtered about that one and she said to me, 'You don't look after our lands'. Lund is leading the charge which would see the province have complete responsibility for Alberta land while Ottawa would oversee national parks and Indian reserves".

Those were the comments of Mr. Lund in a newspaper interview in June.

Mr. Solberg: So what?

Mr. Mills (Red Deer): Apologize.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, those comments are absolutely true. That is the jurisdiction of the federal government. Why does she not live up to it and make sure it is abided by?

She accuses the provincial minister of saying this and exactly this: "You can have the national parks and the Indians. We want to look after all the rest". That simply is not true. He did not say that. Regardless of what comments may have been taken out of context in that news article, why will she not—

Some hon. members: Oh, oh.

Miss Grey: Mr. Speaker, I read from a transcript, not a newspaper article.

Ms. Clancy: Table it.

Miss Grey: When will the minister admit that is simply not what he said and when will she retract these remarks and get these talks back on track?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the other day the member claimed that I had misrepresented the views of Mr. Lund. Mr. Lund has never denied making the remarks at a private meeting with nine other ministers at which I heard very specifically the comments he made.

It is a sad day when the member for Beaver River gets up in the House and repeats the position of the Alberta government that the Government of Canada has no place in Alberta other than to deal with Indian reserves and national parks.

Surely the Canadian people support a national government that will establish national environmental standards and give some national leadership. Surely she understands that the point I was making to Ty Lund, when I would not cave in to his blatant threat to tell me to get out of the province, was specifically because I believe, and the Government of Canada believes, that the people of Canada expect Canadian environmental leadership.

* * *

• (1450)

[Translation]

INDUSTRY CANADA

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The secret document prepared for Operation Unity shows that the federal government is set to spend \$5.6 billion on the potential acquisition of defence equipment, including armoured vehicles, submarines and helicopters. According to the document, these equipment acquisition contracts could have a profound impact on Quebec businesses. The document identifies eight Quebec businesses likely to benefit economically and outlines the political views of their top executives.

How should we describe the federal government's behaviour in dangling in front of some businesses generous contracts in return for their support for the No side? Is this not pure blackmail?

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, again, the opposition's allegations are totally unfounded.

Yesterday, the Leader of the Opposition made comments to the press, which were reported by Hugh Winsor and which indicate that there is absolutely nothing to support his allegations and no evidence whatsoever that any company has been subjected to pressure.

In fact, as far as the defence industry is concerned, the report points out that companies such as Expro and SNC-IT that are very dependent on federal ammunition contracts could be forced to close their doors, while the companies that now rely on support and service contracts could be compelled to move part of their operations.

I have here a whole list of excerpts from the report pointing to the main conclusion, namely, that separation would create very serious economic problems in Quebec and eliminate a great many jobs. I am willing to show the hon. member for Roberval, who requested it yesterday, the proof that the vast majority of

the industries identified in the report, the proof that Quebec's separation would be an element—

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, again, the Minister of Intergovernmental Affairs did not answer the question at all. I did not talk about defence supplies but about defence equipment. He did not say anything about that.

Here is my supplementary: As the secret document prepared in March refers to defence contracts in the next three months, how does the minister explain that they have not yet confirmed the benefits from the equipment acquisition contracts? The government is probably saving this lever to put pressure on some Quebec businesses.

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, again, we gave very clear answers to those questions. Quebec receives a proportion of capital defence spending that is much higher than its percentage of the population.

Again, page after page of the document in question shows that the separation they want would hurt Quebec employees as well as investments and the various industries in Quebec. Again, the document he is quoting from is the best proof that, on October 30, Quebecers will vote No to separation to preserve the economic benefits from their association with Canada.

* *

[English]

VIETNAM

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

The Vietnamese government has now scheduled a retrial of nine religious, academic and cultural leaders in Vietnam who were previously condemned to prison. Will the minister convey to the Vietnamese government that a favourable result of this judicial review will have a positive influence on relations between Canada and Vietnam?

[Translation]

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I would like to point out the hon. member's important contribution to the defence of rights and freedoms. I think that his question is a suggestion to the government, and we accept it as such. I hope that Vietnamese authorities will take it into account in a positive way.

• (1455)

[English]

CANADA PENSION PLAN

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, in a speech in 1991 the Minister for Human Resources Development worried about the concerns and anxieties of Canadians over future levels of funding for the Canada pension plan. In the past four years those concerns have not gone away, they have only gotten worse. The minister has had two years to address these concerns, but he has failed to do so.

Will the minister end the speculation and uncertainty for Canadian seniors, deliver on his promise to reform the Canada pension plan and announce here and now a specific date for reforms of the Canada pension plan?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, if the hon. member has been waiting since 1991, she might want to wait a few days longer.

I understand the concern of the hon. member. We all share a very deep interest in ensuring that Canadians in retirement have effective and sustainable pension programs. The government is very committed to it because it authored the major old age pension and income security programs. That is why in the last budget we underlined once again our strong commitment to maintain and strengthen those programs and to enhance them.

To prepare ourselves for that, the Minister of Finance in working with my department is preparing a paper that will outline for Canadians the choices and options we will have to face in the Canada pension plan in order to ensure that we can sustain its financing over the next years to meet the very large growth in the number of Canadians that will be retiring. We are working on that as well as we can. When the paper is right and ready we will present it, certainly to the hon. member. We will also present it to every other Canadian.

Mrs. Brown (Calgary Southeast): Mr. Speaker, I would like to tell the minister that the Reform Party is ready to go. Just watch for October 11 next week when we will be making our announcement.

Two weeks ago the Minister of Human Resources Development stated the Canada pension plan is not in a state of collapse. However, the chief actuary in the finance department last week wrote in a letter: "The Canada pension plan fund is expected to be exhausted by the year 2015".

My question is for the Minister of Finance. When it comes to the status of the Canada pension plan, who does he believe, the HRD minister or his chief actuary?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I happen to believe the minister of HRD. I also happen to believe the chief actuary because their opinions are the same.

The chief actuary did say that if action were not taken on the Canada pension plan that major financial problems would ensue. The minister of HRD has made it very clear that the government intends to take such action. Meetings have already been held with the officials. There will be meetings with provincial finance ministers. That is where the changes have to take place.

I look forward to hearing the Reform Party's suggestions. I hope they are a little bit better than the budget it came out with last year. However it is something we work on with the provinces. The minister of HRD and I will be doing that together.

* * *

[Translation]

INDUSTRY CANADA

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs. On September 22 the Minister of Intergovernmental Affairs stated in this House that his government was not carrying out any studies on overlap, just analyses. A fine distinction. The secret Industry Canada document confirms the existence of factual analyses on overlap, and I quote: For further details on duplication and overlap, refer to analyses.

Now that we have confirmation that such analyses on duplication and overlap do exist, does the Minister of Intergovernmental Affairs plan to make them public before the 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 shall repeat my position, because it is true; the unity group within my Department has carried out no analysis whatsoever on duplication and overlap, and has carried out no study whatsoever on duplication and overlap.

We do have a process to reduce and eliminate duplication and overlap, and this has led to the signature of a number of action plans by the first ministers. So, that is a process which does exist. I greatly regret that the present Parti Quebecois government has refused to help us eliminate duplication. But the truth is: no studies of that type have been carried out for us.

(1500)

[English]

SAUGEEN FIRST NATION

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, yesterday the chief of the Saugeen First Nation signed a declaration claiming authority over 300 kilometres of shoreline up to 11 kilometres out into the water around Bruce Peninsula.

Chief Kahgee claimed sovereign status under international law. The chief said he will start today to implement fishing season quotas, issue commercial and sports licences, and analyse resources. The department of Indian affairs has known about this for over three years.

Can the minister tell the House his plans to prevent this subversion of the legitimate authority of the Government of Canada?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, if a claim has been issued it has not come to my desk. Anyone can issue a claim in Canada. If it is by writ, it winds up with the Minister of Justice. If it is a claim, the member knows there is a process, and if it is a legitimate grievance then it is negotiated.

In 1993 in the Nadjiwon case the Ontario provincial court found that the Saugeen Ojibway have a right of access to and use of their traditional fishing ground around the Bruce Peninsula. The provincial court did not find a right of ownership. If there is an issue there, I am sure in due course it will be decided by a court.

I think the hon, member is doing a disservice to a court system and a claim system we have in Canada that provides for due process and not political brownie points.

The Speaker: This will bring to close the question period.

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of His Royal Highness Price Saud Al-Faisal Al Saud, Minister of Foreign Affairs of the Kingdom of Saudi Arabia.

Some hon. members: Hear, hear.

The Speaker: Notwithstanding Standing Order 31 a little earlier, some 16 months ago I started an initiative to recognize our distinguished citizens in Canada. To that end, I have invited some men who have in part given us our identity as a nation. There are very few of us in the Chamber who have not at one time wished that we could put on these people's shoes and do what they do. They are among our most talented Canadians.

An hon. member: Skates.

The Speaker: No, their shoes too.

Because I want to applaud them as you will, I ask you please not to applaud until I call them by name. I want them to stand and remain standing. When they are all standing we want to give them the kind of recognition they deserve for the great service they have done for our nation.

I call on Mr. Andy Bathgate, Mr. Jean Béliveau, Mr. Paul Henderson, Mr. Gordie Howe, Mr. Red Kelly, Mr. Ted Lindsay, Mr. Frank Mahovlich, Mr. Howie Meeker, Mr. Pierre Pilote, Mr. Henri Richard.

Some hon. members: Hear, hear.

• (1505)

The Speaker: My colleagues, in your name I have invited our guests to be in the reading room. I invite you to a small reception where you may meet them. I know you will want their autographs and will want to take pictures. That will be in the reading room after question period.

. . . .

POINTS OF ORDER

TABLING OF DOCUMENT

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, this arises out of question period. I would like to table, for the House's information and for the Deputy Prime Minister and Minister of the Environment, the transcript of the actual meeting and the actual remarks made in that meeting by the Hon. Ty Lund, Minister of the Environment for Alberta.

The Speaker: The tabling of any document demands the unanimous consent of the House. Is there unanimous consent?

Some hon. members: Yes. **Some hon. members:** No.

The Speaker: There is not unanimous consent.

Miss Grey: Mr. Speaker, I just thought that if an actual document was quoted from in question period I was duty bound to table it, which was what I was trying to do.

The Speaker: That is not the case.

BILL S-9

Mr. George S. Baker (Gander—Grand Falls, Lib.): Mr. Speaker, I rise on a point of order relating to a finance committee meeting I attended yesterday, an excellent committee, as I am reminded. This committee dealt with Bill S-9, a Senate bill referred to the committee and on which we heard evidence.

During the evidence in the committee meeting it became clear that the bill imposes expenditures on the Government of Cana-

Points of Order

da. The amount of money involved per year, as was pointed out in the committee and which evidence I could lay before you, Mr. Speaker, involves perhaps hundreds of millions of dollars. It was part of budgetary provisions dating back to 1992, budget papers from 1992 and 1993. A provision of the bill also is retroactive to November 10, 1988, which requires an expenditure of public funds.

Mr. Speaker, I refer you to two decisions made in this Chamber and contained in the books of Speaker Lamoureux, which are truly the decisions that mark the difference between the powers of the Commons and the powers of the Senate. I do not have the decisions of Justice Lamoureux before me, but one of them is on page 174 and the other 175.

The decision on page 174 was made on November 12, 1969 when the Senate approved a bill for the dissolution of the Dominion Coal Corporation at that time. An MP by the name of Baldwin stood in the Chamber and objected that this involved an expenditure of public funds.

The Speaker at the time set aside a period in which he heard arguments as to whether it was an expenditure of public funds. After listening to the arguments he said no, this bill must come in as per Standing Order 62 at that time, which is Standing Order 79(1) today, which is that royal recommendation is required for any expenditure of public money.

The second decision was made on June 12, 1972, again by Speaker Lamoureux. It was the same instance where a government bill came through the Senate. An objection was launched at that time that although the bill did not involve an immediate expenditure of public funds, it committed the government to an expenditure in the future.

• (1510)

The ruling at that time was that yes, according to Standing Order 63, presently Standing Order 80(1) under Beauchesne's sixth edition, if a bill involves an expenditure of money then it cannot be brought in through the Senate.

My objection is according to Standing order 79(1), which says quite clearly that it is the crown that demands, the Commons that grants and the Senate that accedes to that grant, it is the prerogative of the House of Commons, not the Senate, and it must be done with royal recommendation by the executive, by the crown. It cannot be done through the Senate. Standing Order 80(1) states quite clearly that the Senate's only role is to accede to such a request. It cannot even amend such a request.

The evidence is quite clear that on the one hand the expenditure of public money involved is that it reduces by 50 per cent the tax on any profits made by U.S. multinationals in Canada. That is the expenditure, approximately \$130 million to \$135 million per year. This is supported, incidentally, by the Reform Party and the Bloc wholeheartedly.

Points of Order

The expenditure involves in the last clause of the bill a retroactive provision in the case of payments that involve the payment by the Government of Canada of a tax credit for anybody who was subjected to the estate tax in the United States. If people who had property of over \$600,000 in the U.S. are subjected to the estate tax, Canada will provide a tax credit to offset that on their foreign based income. That is dated back to November 10, 1988, which would impose an immediate expenditure on the Government of Canada. The rest of it would impose an expenditure, a loss in tax expenditures for all time to come.

Mr. Speaker, it is not that the bill would be defeated by your ruling, because all of the political parties in this Chamber support the bill. I am saying this violates the privileges of the Canadian House of Commons as seen in precedent and as seen in our standing orders. This should come back and be presented in the correct manner.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with great respect to the hon. member's very able argument, I think he has misconstrued the point in Standing Orders 79 and 80 of the House of Commons.

Standing order 79(1) reads:

This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

He is quite correct in stating that is the case.

Bill S-9, an act to amend the Canada-U.S. tax convention, is not a bill for appropriating any part of the public revenue or for any tax or impost. What it does is change the effect of the taxation laws of Canada through the application of various rules under this tax convention, which may result in the refund of revenues already received by the Government of Canada. This is not an expenditure of government funds; this is a refund of money that was collected from Canadian citizens pursuant to the tax laws of Canada, which are being amended by this tax convention because similar moneys were taken from these persons as a result of the application of the tax laws of the United States.

Everyone in the House is aware that tax conventions exist for the purpose of avoiding double taxation on the citizens of the two countries involved in the convention.

The hon. member has misconstrued the repayment of tax revenues already received as appropriations of public money. That was not the intention either of the standing order or of the constitutional practice in this regard. In support of that submission I refer Your Honour to citation 599 of Beauchesne's sixth edition:

If any motion, whether in the House or in a committee, requires, but fails to receive, the recommendation of the Crown, it is the duty of the Speaker to announce that no question can be proposed upon the motion, or declare the bill out of order, or to say that the problem may be rectified by the proposer obtaining a Royal Recommendation.

• (1515)

I do not disagree with that. Citation 600 states:

The principle that the sanction of the Crown must be given to every grant of money drawn for the public revenue applies equally to the taxation levied to provide that revenue.

In other words, a royal recommendation is required on a bill to impose a tax on the subject—and this bill does not; there is no dispute on that—and any bill to authorize the expenditure of public funds.

There is no expenditure authorized. What is authorized here is different. It is a refund of taxation which has been taken from the subject that is being changed by virtue of the application of the tax treaty. The tax treaty was ratified in the other place in the form of this bill which has been sent to the House for concurrence and the committee was very properly studying concurrence in the bill.

In my experience, and I have watched this kind of procedure for some time, tax conventions are almost invariably introduced as bills in the other place. Many of those tax conventions as a result of their passage involve repayment of money to Canadian citizens. In my experience there has not been a royal recommendation attached to any of those bills. There could not have been, or they would not have been introduced in the other place first.

They are introduced there because it is permissible to introduce technical bills of that kind in the Senate, the ones that do not require royal recommendation. That has been done in this case. In my experience it has been the invariable practice with respect to tax convention implementation legislation. I submit there is nothing irregular in this procedure. The hon. member has simply misconstrued the notion of refund of taxation as an expenditure of public funds. I submit they are not the same.

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, I rise on the same point of order.

The hon. member for Gander—Grand Falls referred to Standing Order 80 which would preclude a Senate bill coming to the finance committee if it dealt with aids and supplies. This is not an aid or supply.

As the hon, parliamentary secretary has indicated, it has been the custom of the House for as long as I can recall to have tax treaty amendments of which there have been probably 70 or 80 in the past decade and a half originate in the Senate. I commend the Senate for the excellent job it has done in dealing with these very complicated and detailed pieces of legislation. It is not an

area where those who have not done a lot of work and a lot of study are really capable of assessing the implications.

I concur with the hon. parliamentary secretary. This is not an aid or supply. This has been our tradition. It has worked very well. This is an excellent piece of legislation, supported by all members of the House.

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, I rise on behalf of the New Democratic Party on this point of order.

The New Democratic Party agrees with the hon. member for Gander—Grand Falls who raised the matter of Bill S-9 being a bill that will cause a great deal of expenditure from the treasury to people retroactively, in particular to people who have a great deal of wealth to start with.

There is an assumption that the New Democratic Party supports Bill S-9. I make it perfectly clear that the bill is an unfair bill for taxpayers. The New Democratic Party does not support it. I support the contention of the hon. member for Gander—Grand Falls with respect to having the bill reviewed by Your Honour to see if it is in order.

(1520)

Mr. John Nunziata (York South—Weston, Lib.): Mr. Speaker, I rise on the same point of order. I have a letter in front of me from the Minister of Finance in which he refers to the subject matter my friend from Gander—Grand Falls raised as a cost presumably to the taxpayers of Canada. He pegs that cost at \$125 million for 1995–96 and \$145 million for 1996–97.

We are not dealing with petty cash here. We are dealing with a significant amount of taxpayers' dollars. What ordinary Canadians want to know is if it is such an important piece of legislation, why is it coming via the unelected Senate of Canada? Since when does an unelected group of men and women down the hall from this elected Chamber introduce legislation that will have the result of withdrawing from the public purse \$125 million this year and \$145 million next year?

Surely that moral and legal right ought to be that of the government of the day. It is the government that should be setting public policy, not unelected senators.

I lend my support to the member who raised this point. If it is the government's wish, and I understand the government is supporting this initiative, why bring in the back door what they do not have the courage to bring in through the front door?

Let us have an honest debate in the House of Commons. Let us have them introduce it as a government bill. Let us debate it at second reading. Let us send it to the committee. Let us have the courage as elected people to call a spade a spade.

The minister refers to it as a cost in his letter. It must be a cost because it will cost you and I and every other taxpayer close to \$300 million over the next two years.

Routine Proceedings

The Speaker: As a general rule I do not want to get into a debate on a point of order. The parliamentary secretary has spoken once. I appreciate the interventions that have taken place.

This is a very important point of order that has come before the House. I wonder if members would give me a day or two to do the research on my own, to have a look at it. Then I will come back to the House at that time with a decision and we will see where we are going from there. I would prefer to do that.

Mr. Milliken: Mr. Speaker, I want to answer the allegations made by the hon. member for York South—Weston. Not that I am seeking to defend the other place in my comments, but it is very important that he recognize this is a government bill.

The bill was introduced by the government in the other place. It is sponsored in the House by the Minister of Finance. It was debated at second reading in the House, referred to committee and will be debated at third reading in the House. It is a government bill. It is going through the same process that every other government bill goes through in the House.

The Speaker: I thank all hon. members for their interventions. I will apprise myself of the situation. If members will give me time to look at it, I will come back to the House with a decision.

ROUTINE PROCEEDINGS

• (1525)

[English]

COMMITTEES OF THE HOUSE

FINANCE

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, it gives me great pleasure to table before the House the 18th report of the House of Commons Standing Committee on Finance.

The report deals with Bill C-9, the bill just mentioned in the House. It was passed unanimously by the committee yesterday.

I thank members of all parties who were there and who assisted us so diligently in our work.

JUSTICE AND LEGAL AFFAIRS

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 10th report of the Standing Committee on Justice and Legal Affairs, being the first report of the subcommittee on national security.

Pursuant to Standing Order 108(2) the committee has agreed to the first report of the subcommittee on national security on the subject of document and personnel security.

Routine Proceedings

Pursuant to Standing Order 109 the committee requests a comprehensive response to the report within 150 days.

INDUSTRY

Mr. John Godfrey (Don Valley West, Lib.): Mr. Speaker, I have the honour to present the eighth report of the Standing Committee on Industry.

The report relates to the Canadian Tourism Commission and follows on discussions the committee held with commission officials in March of this year.

The Canadian Tourism Commission was created by order in council in January 1995 and has recently submitted to the industry committee its charter and 1995–96 business plan.

The committee intends to continue monitoring the commission's progress over the coming months.

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 88th report of the Standing Committee on Procedure and House Affairs in relation to the committee's consideration of the objections filed in accordance with the Electoral Boundaries Readjustment Act. The committee respectfully requests that the deadline be extended to November 30, 1995.

If the House gives its consent I would move that the 88th report of the Standing Committee on Procedure and House Affairs be concurred in.

(Motion agreed to.)

PETITIONS

VIOLENCE

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, the petitioners believe that violence and abuse in society need to be reduced, in fact if possible to be eliminated. They also believe that they affect young children in a very negative kind of way and do not see any need for violence and abuse to inform, educate or entertain.

I had the honour just over a week ago to address the CRTC hearings on this very topic and again today in the House. I am pleased to support the petition.

LAND MINES

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, it is an honour for me to present a petition to the House that has been signed by hundreds of Canadians and continues to be circulated across the country.

The petitioners understand that more than 100 million antipersonnel land mines are laid around the world and indiscriminately kill or maim between 1,000 and 2,000 men, women and

children every month. They understand that land mines impoverish communities by denying access to land and impede social and economic post-conflict reconstruction.

Therefore they petition Parliament to legislate the prohibition in Canada of the use, production, stockpiling, sale, trade and transfer of all anti-personnel land mines; to work for an international convention banning these activities; and to ask the Canadian government to increase its contributions to the United Nations for assistance in land mine clearance and for programs that would rehabilitate mine victims.

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition which has been circulating across Canada. The petition has been signed by a number of Canadians from Surrey and Langley, B.C.

(1530)

The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill, or the aged.

The petitioners therefore pray and call upon Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home for preschool children, the disabled, the chronically ill, or the aged.

VIETNAM

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, I have the honour to present a petition signed by 405 Canadian citizens of Vietnamese origin. They pray for the intervention of Parliament to help in securing the release of religious, cultural and academic leaders now under detention, arrest or imprisonment in Vietnam.

HUMAN RIGHTS

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, I have the honour to present a petition signed by over 150 Canadians from my riding in Rosedale and from as far away as Vancouver. They call upon Parliament to create an environment of justice and equality in Canada by amending the human rights act to prohibit discrimination based on sexual orientation.

STUDENT ASSOCIATION FEES

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I have the privilege to present two petitions today.

The first is from students who draw to the attention of the House that professional organization and union dues are obligatory and are therefore deductible under the Income Tax Act whereas the student association fees they are required to pay are not deductible. They call upon Parliament to amend the Income

Tax Act to allow students to deduct their fees as other professionals do from their employment income.

HUMAN RIGHTS

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, the second petition is signed by over 400 people. They remind Parliament that discrimination which occurs daily against lesbian, gay and bisexual Canadians is unacceptable in a country known for its commitment to human rights and equality. They call upon Parliament to act quickly to amend the human rights act to prohibit discrimination on the basis of sexual orientation and to recognize the equality of same sex relationships.

POLLUTION PROGRAMS

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, I have three separate petitions to present today.

The first is from 57 petitioners who request that Parliament institute complete recycling, waste reduction, energy and resource conservation, clean up and zero pollution programs.

UNEMPLOYMENT

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, the second petition is from 220 signatories from Ontario and Quebec. They request that Parliament legislate a more effective, productive and cost efficient method of unemployment relief, a policy of paying from these funds three million people \$1,200 per year to work at entry level positions in understaffed public and private institutions.

THE ECONOMY

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, the third petition has 34 signatories who call upon Parliament to redesign, restructure, reorganize or replace ineffective government structures and systems if needed in order to address the poor state of our national economic, social and environmental health in a timely and cost efficient manner.

QUESTIONS ON THE ORDER PAPER

* * *

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

The Deputy Speaker: Is that agreed?

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.): Mr. Speaker, I ask that all Notices of Motion for the Production of Papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

EMPLOYMENT EQUITY ACT

The House resumed from October 3 consideration of Bill C-64, an act respecting employment equity, as reported (with amendments) from the committee; and of Motion No. 7.

Mr. McClelland: Mr. Speaker, after consultation with the Liberals, the Bloc and the New Democratic Party yesterday, we agreed and would seek unanimous agreement to amend clause 25 which will be debated as part of group 5, with an amendment already given to—

The Deputy Speaker: Will the member please excuse the Chair. The member probably thought the debate was over yesterday. Other speakers wish to speak. We will have to deal with his point when the other speakers are finished on the earlier group of motions.

• (1535)

[Translation]

Mr. Ménard: Mr. Speaker, when we left off, you were about to put the question on the last motion that had been debated, which happened to be mine. Do you still intend to do that or are we proceeding with a new group of motions?

The Deputy Speaker: To assist the hon. member, we are still on group No. 4. I believe he already spoke to this group of motions, if I remember correctly. Does the hon. member wish to speak again to this question? If he does, we will need the unanimous consent of the House.

Mr. Ménard: When the debate was adjourned, you were about to put the question on Motion No. 7, which happens to be mine. If there are still members who wish to speak to this motion, I would be glad to listen to them. I was just wondering when the vote would be.

The Deputy Speaker: As I said before, there are no members who wish to speak, so we will have the vote later on.

[English]

Ms. Skoke: Mr. Speaker, I rise on a point of order.

I understand the hon. member was first on the speaking order and that I would speak second, if that pleases Your Honour.

The Deputy Speaker: The Chair was given a list of three people wishing to speak. The hon. member for Central Nova was the first on the list. Does she wish to cede her place to the hon. member for Rosedale?

Ms. Skoke: Yes.

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, I thank the hon. member for Central Nova for ceding her place to enable me to attend to other business later this afternoon.

Equal access to job opportunities is a principle Canadians adopted several years ago. Other nations think highly of us because we do more than pay lip service to equality. We take proactive steps to make equality a reality in the everyday lives of our citizens.

[Translation]

Bill C-64 will do much to expand opportunities for genuine equality in the workplace for women, aboriginal peoples, persons with disabilities and members of visible minorities.

It is our responsibility to ensure that this legislation achieves this important goal whenever possible.

That is why, like many of my colleagues who spoke earlier, I have a serious problem with Motion No. 7 introduced by the hon. member for Hochelaga—Maisonneuve.

[English]

The hon. member's motion takes the need for co-operation in implementing the Employment Equity Act to an extreme that I do not believe would achieve the desired result. The government's perspective is to do what is necessary to implement and administer Bill C-64 in the most productive way possible but responsibility for implementation administration must remain with employers. They are the ones who ultimately have to answer to the commission if they fail to meet their responsibilities.

Let us consider what would happen if we adopted the hon. member's motion and moved from the bill's current requirements for collaboration between employers and employees to what might be called a co-management arrangement. For one thing, it would reduce the bill's requirement for consultation. The hon. member's motion if adopted would mean that there is no longer any need to consult regarding implementation or revision of employment equity plans.

Bill C-64 as it presently stands allows the commission or a tribunal to order consultation. I find it surprising that the hon. member who is seeking to enrich and improve the bill would want to delete provisions regarding consultations and replace them with weaker provisions that would not be subject to a direction or order. I would ask him and the party he represents to reconsider the bill from that perspective. It seems to me and to the government that the amendment as proposed actually weakens rather than strengthens the bill, contrary to the avowed intent of the hon, member.

● (1540)

Another Canadian characteristic that makes us the envy of others is our willingness to work together for the collective good of all our citizens. Voluntary collaboration and co-operation are innate qualities of being Canadian. I know many of us in the House seek and strive to enshrine those principles in all the work we do. I have every confidence that management and labour will collaborate to ensure the most effective implementation of employment equity plans. Why should they not? It surely is to the advantage of both.

It is in creating plans and legislation of this kind that one achieves an appropriate balance between the needs of labour and the needs of management. In doing so we have created a labour—management relations atmosphere which is beneficial to both parties. That is what we seek to achieve in this bill.

As my colleagues before me have said, we have already deliberated over the Bloc's concerns in committee. The government feels that having given these concerns due consideration, we are satisfied with the way the provisions now stand.

I remind the hon. member that the Employment Equity Act is designed to help move us closer to true equality in the work-place. It is not designed to change other aspects of employer—employee relationships. However, that would be the unfortunate result if we adopted the hon. member's motion.

The way the bill now stands, collaboration is a requirement. The ultimate responsibility for making decisions however lies with employers and that is the way it should be. There is a difference between the requirement for collaboration and discussion and the ultimate responsibility for the decision which surely must be taken by employers who have both the financial and managerial responsibility for ensuring that those decisions are properly carried out.

Hon. members know from their own experiences that we put much more effort into something when the effort is willingly given and not obtained through coercion. One cannot legislate co-operation and a positive attitude. We have seen that in the workplace and we are trying to strive to avoid confrontational situations in the workplace.

Positive co-operation comes about because the parties involved bring the right attitude to the task at hand. That is what the current provisions in the bill will achieve. They will create an atmosphere within which collaboration, co-operation and discussion will take place.

They will not seek however to create what the member's amendment seeks to create which is a sort of co-management regime that would by its very nature lead to strife between those on the management side with their responsibilities and those on the labour side with their responsibilities. It would totally confuse the two roles which both parties properly play in the workplace and would substitute, instead of this atmosphere of co-operation and collaboration, an atmosphere of mistrust between the two parties between which it is very important to establish good working relationships.

[Translation]

I wish to thank the hon. member for his contribution to this debate. Unfortunately, for the reasons I just mentioned, I cannot support Motion No. 7.

[English]

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, it is my privilege to address this honourable House today with respect to Motion No. 7 brought forward by the hon. member for Hochelaga—Maisonneuve.

The government appreciates the hon. member's input into Bill C-64. However, we are concerned that his motion would have an effect that would not be beneficial to the administration of the Employment Equity Act. The way the motion reads, if it were to be adopted, it would in essence establish an employer–employee co–management arrangement under the act.

Members of the Bloc raised this issue in committee and the government was responsive and flexible in giving it due consideration. However, if we adopted the motion before us it might very well have negative ramifications in the way employment equity is administered. Responsibility must be clear in this regard.

• (1545)

Nevertheless I hasten to add that the intent of the legislation before us is not to create situations where management is imposing employment equity on workers without their input. This is not the intent at all. On the contrary, the current act encourages and requires productive consultations between employer and employee representatives. As I said previously, the government appreciates constructive suggestions. That is why we listened and accepted recommendations made in committee.

The effect of those recommendations is that Bill C-64 now requires collaboration between employer and employee representatives when preparing, implementing and revising employment equity plans.

However, the key aspect of this arrangement is collaboration, not co-management. The responsibility for making final decisions must remain with employers. After all, they are the ones who must answer to the commission regarding implementation

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of the act. Hon. members will agree that the person who is held responsible for an action must retain the ability to make final decisions.

The government is trying to send a clear message here. For employment equity to be fair and effective, a co-operative effort in implementing its principles is required by both management and labour. The emphasis is very much the same, emphasis the government takes in its own relationships with other governments, the private sector, community organizations and so on. I am referring to the concept of partnership, a productive effort by all concerned to reach the same goal. That is exactly what came through in committee regarding the issue: collaboration, yes; co-management, no.

I remind the hon. member that adoption of his motion is not as simple as he may think. It would have widespread implications because the act does not have a provision which allows a tribunal to issue orders against a bargaining agent. In other words, collaboration requires just that, the two parties work together to reach a common goal voluntarily. Enforced collaboration is an oxymoron and experience shows that it makes for unproductive relationships.

Management must have final responsibility for its obligations under Bill C-64. It is management that must answer to the commission if it fails to meet its obligations under the act. It is unacceptable to adopt a situation wherein the employer is held responsible but does not have the ultimate authority to address that responsibility.

The government does not wish Bill C-64 to alter the framework of labour relations in a fundamental manner. That is not the purpose of the legislation before the House. Its purpose is to help move Canada toward true equality in the workplace. This is a step of which all Canadians should be very proud. Passage of Bill C-64 will enshrine in law the principle of equality for all Canadians. It will help to lay down a level playing field for those in the designated groups, specifically women, aboriginal people, persons with disabilities and members of visible minorities.

Bill C-64 also fulfils the government's pre-election commitment to strengthen the existing Employment Equity Act by extending coverage to virtually the entire public service. I believe hon. colleagues should also agree that fairness dictates that all Canadians have due access to employment opportunities. Therefore we must implement this legislation in a manner that will encourage co-operation and goodwill on the part of both employers and employees.

We thank the hon. member for his input. However, the government is satisfied with the bill's emphasis on collaboration. We are not prepared to move toward co-management. For that reason I cannot support the member's Motion No. 7.

(1550)

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, I am glad to rise during debate to discuss Motion No. 7.

The hon. member for Hochelaga—Maisonneuve and his colleagues have made some eloquent points on behalf of this amendment, both here and previously in committee. That is the reason the government has already amended the original bill. That amendment made sense. To accept this amendment does not

I want to take a few minutes to underline some of the essential elements in the government's approach to government equity to show why I will not be able to vote for this motion.

Two years ago at this very moment, almost every one of us was engaged in one of the most important federal election campaigns of our time. I was proud to campaign under the banner of a party and a leader with a clear plan. Our red book was a blueprint for action. It was no wish list. It was based on years of listening to Canadians and an active policy development process. It was a comprehensive approach grounded in a realistic perspective on what government can do.

As we well know by now, one of the commitments we made was to strengthen the Employment Equity Act. The old government had the information. It knew what needed to happen but it chose not to act. We said that it was time to move on this issue and we have with Bill C-64.

The red book was more than just a series of individual commitments. It was based on a sense of how Canada works best. Part of that was our understanding that business and government are not adversaries. We need each other. Canada needs a strong business community. We need an attractive business climate. A government that operates in an intelligent and strategic way fosters that kind of community in that kind of climate.

In essence we let business people do their work without reasonable interference from government and we look for ways to build productive partnerships. That has been our approach to employment equity. We know that voluntary efforts at equity simply have not worked, therefore legislation is needed but not heavy handed approaches.

Many of my colleagues have spoken of the willingness of the federally regulated business community to work with us on equity. I need not repeat the points they have made. One basic reason they are doing so is that we have adopted a human resource planning model for this legislation. We have designed this process to maximize co-operation. We also designed the process to maximize co-operation in the workplace.

Unions most certainly do have a place in this process. Unions do care. The labour organizations that made presentations to the committee stressed their commitment to social justice. We understand their contribution to workplace attitudes toward equity programs. We appreciate their concerns about making

employment equity work well, given issues such as seniority rights.

For all those reasons, government members on the committee decided to amend the bill, to underline the requirement for consultation with bargaining agents. The government understood the need to ensure that consultation was real and the bill, as it has come to us from committee, requires collaborations.

This is an important step. To go further is to make a mistake. To require employers to share authority with unions in some kind of co-management regime is to blur accountability. At the end of the day employers in law and in fact are responsible to the government for their achievements in employment equity. Unions are not.

The plan we offered to Canadians in 1993 did not envision the federal government shaking up the framework of federal labour relations. We believe that businesses understand the approach we have laid out for employment equity. We also believe they understand that getting unions on side makes sense in a human resources planning model. We believe that they will pursue collaboration in the spirit that is set out in this bill as it is before us now.

However, the government sees no need to force a process on employers that may simply not work for any number of local reasons. We hope they will take on partnerships for employment equity but we will let them decided based on their own situations. I have a great deal of faith that the businesses and federal government employers covered by this legislation will see as we do. They will capitalize on this opportunity to break down the barriers that may deny them the best from their workers or those who could be. I think they will do the right thing and they will do it in the way that works best.

• (1555)

The bill has already moved to underline the need for collaboration. It retains the emphasis on employer accountability. That is the right balance. It is the approach I will continue to support.

[Translation]

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

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 7. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: A recorded division on the motion stands deferred.

[English]

Group No. 5, the hon. member for Edmonton Southwest, on a point of order.

Mr. McClelland: Mr. Speaker, after consultation with Liberal members, the Bloc and the New Democratic Party, I would ask for unanimous consent to amend my motion. The amendment has been put together in consultation with the government and will improve my motion.

The table officers are already in possession of the amendment, so we would ask unanimous consent at this time to replace the motion.

The Speaker: Is there unanimous consent to accept the amendment?

Some hon. members: Agreed.

Mr. Ian McClelland (Edmonton Southwest, Ref.) moved, by unanimous consent:

That Bill C-64, in clause 25, be amended by adding after line 30, on page 18, the following:

"1.1 Where

- (a) an employer has been informed of a non-compliance by a compliance officer under subsection (1) and the finding of non-compliance is based, in whole or in part, on the apparent under-representation of the aboriginal peoples, members of visible minorities or persons with disabilities in the employer's work force, as reflected in the employer's work force analysis conducted pursuant to paragraph 9(1)(a), and
- (b) the employer believes that the apparent under–representation is attributable to the decision of employees who may be members of the designated groups concerned not to identify themselves as such or not to agree to be identified by the employer under subsection 9(2), the employer may inform the compliance officer of such.
- (1.2) Where the employer satisfies the compliance officer that the finding of non-compliance is attributable, in whole or in part, to the reason described in paragraph (1.1)(b) and that the employer has made all reasonable efforts to implement the employment equity, the compliance officer shall take the reason into account in exercising any powers under this section.
- (1.3) In satisfying the compliance officer under subsection (1.2) that the finding of non-compliance is attributable, in whole or in part, to the reason mentioned in paragraph (1.1)(b), the employer must do so by means other than the identification of individual employees in its work force that the employer believes are members of

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designated groups who have not identified themselves as such, or agreed to be identified by the employer as such, under subsection 9(2)."

He said: Mr. Speaker, those thousands of Canadians watching this on television have just seen that we really do earn our keep from time to time.

The amendment speaks to the fact we live in the land of employment equity or affirmative action. Because this is the first time today in which we are going to be speaking to Bill C-64, I should bring to the attention of those hundreds of thousands of Canadians glued to their television sets wondering what is going on that this bill is the affirmative action or employment equity bill.

• (1600)

Employment equity is a phrase coined by Judge Abella about 15 years ago to describe affirmative action because there were people who felt that affirmative action really did not find a lot of popularity in the land. So we are living with employment equity.

Bill C-64 would expand the notion of affirmative action in the federal workforce to everyone covered by the Treasury Board and to any company in the private sector doing business with the Government of Canada with 100 employees or more.

On the face of it, who would argue with the notion of affirmative action or employment equity—except that employment or any advantage or anything in our society based on race or on quotas is inherently discriminatory.

One of the very first articles in the Canadian Charter of Rights and Freedoms speaks to the notion of all Canadians being equal. Then the next paragraph says except those Canadians who are in specific designated groups and these Canadians may be assisted at the expense of the equality of everyone by special advantages. If that were not in the charter this amendment would certainly not see the light of day, because it would be against the Canadian Charter of Rights and Freedoms.

That is the kind of anomaly we have to understand and somehow work around. Here we have the Canadian Charter of Rights and Freedoms which says this kind of discrimination should not exist in our land, and then we say we will allow this kind of discrimination. The net result is that we have affirmative action laws. We have a system whereby people are able to gain promotion or gain employment or advantages of some description based on a quota.

As members know, today we are speaking to the amendments. We are supposed to be keeping our comments closely related to the amendment before us. The amendment I am speaking to relates to the responsibilities of the compliance officer.

We are now living in a country that is under the rule of employment equity or affirmative action. That means that certain employers, including the federal government, and certainly all of the private sector employers who have 100 employees or more, will wake up one day to a knock on the door.

The knock on the door will be from the compliance officer who is representing the federal government. The compliance officer will have significant powers to be able to delve into the affairs of the company to see if the employer is in compliance with the legislation, and the employer must prove it.

This is where race questions come in on the forthcoming census. This is why the questions about race have to be asked. The compliance officer will say that according to the last census, in a certain geographic area there are a certain number of green people, a certain number of yellow people, a certain number of people who speak this language and that language, and therefore the employer must employ people in the same proportion as the people in that community and they will be given quotas.

The employer will say that normally they hire the best people; it does not matter who they are or what their education is, what their sex is, they are hired on merit. The compliance officer will say they will have to take affirmative action into the mix, that they cannot just hire on merit any more, they have to look at both of the equations. Then the employer says come in and have a look around and see what we have.

Let us say that in a room there are 20 people working, and every one of them is from a visible minority or from some other designated group. The compliance officer looks at his list and says it says on the sheet that they do not have anybody who self-identifies as one of the disadvantaged groups. If you look around, my God, everybody in the place is in the designated group.

• (1605)

The problem is that we Canadians do not get up in the morning and ask what part of what victim group we are in and look for the support of the state to get anywhere in my life, seeking advantages that are not common to everybody.

In the purview of the House of Commons there are 1,700 employees. Recently, people were asked to voluntarily identify themselves as to what designated group they fall into. Only 50 people said they fell into one of these designated groups. Only 30 per cent of the people responded. That is not the kind of people Canadians are. We do not respond to that. We do not want a constitution or laws based on race. We want laws based on the equality of all individuals.

In any event, we have this legislation and we have pointed out the error, the problem, or the hole in it. The government looked at it and very wisely assumed our counsel and said we had a good point.

We do not like the legislation and we will vote against it. If we can improve it we will try because when we wake up in the morning it will be in the driveway.

I visited my brother—in—law a few years ago. He was looking at a new motorcycle and he had the brochure on the kitchen table. His wife came home, saw the brochure, and went ballistic. He asked her why she got so mad and she said "Because the brochure is on the kitchen table today and tomorrow the motorcycle will be in the driveway". That is the same story on this legislation. Today the brochure is on the table and tomorrow the legislation will be in the driveway, and there is nothing we can do about it. The government has its massive majority and it is going to push the legislation through come hell or high water. We must try to make it better in any little way we can.

Giving credit where credit is due, the government saw that the amendment improved the legislation and it made an amendment that improved the amendment we submitted. We end up with better legislation, which is how the House works from time to time

I am speaking in support of the amendment, which will make this draconian legislation a little less draconian, perhaps a bit better. There is a ray of sunshine and light that comes into the House from time to time.

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, I thought I would yield to my hon. colleague from Toronto. However, I thank her for the privilege.

Speaking very briefly to this amendment, I would like to refute some of the misinterpretations, though not done with malice, by the hon. member.

He indicated in his opening remarks that while subsection 15(1) talks about the equality of all Canadians, in essence he argued that subsection 15(2) negates this by saying that we are not equal because of race. That to me is a misinterpretation of the Canadian Charter of Rights and Freedoms. I have more faith in the framers, fathers, and parents of the Canadian Charter of Rights and Freedoms.

I think what section 15 tells us is that we should have equal benefit and protection of the law, all Canadians on an equal basis, irrespective of race, disability, origin, or gender. At the same time, subsection 15(2) deals with disadvantaged people, as visible minorities may be, people of First Nations origin, women, and persons with disabilities.

In subsection 15(2) the framers of our charter of rights and freedoms were trying to prevent possible dilatory tactics on the part of people who would complain that government can introduce legislation that will address those very disadvantages. They are not being given advantages; they are only being restored to equality. They are disadvantaged, so we must restore them to equality. They are not being restored to superiority. I think that has to be made very clear to all Canadians.

• (1610)

Therefore subsections 15(1) and (2) demonstrate the ingenuity of Canadians.

In his opening remarks the hon. member indicated that quota is a way of giving advantages. For the same reason, it is not. On a very close reading of the bill itself, quota is prohibited. How clear can we be? The law as proposed and tabled in the House states that no one may impose a quota, not even the enforcement officer. We have to forget about this being quotas.

Certainly the member in trying to sustain his argument about quotas indicated those people in this disadvantaged group are to be employed in the proportion they exist in the population in the community. That is wrong. That is not what the bill states. The bill states that it is in proportion to the available qualified people. Why not? Why would one argue against the qualification of others only because of colour, disability, origin or gender? The bill states that it is in proportion to the number of qualified people, again sustaining the principle of equality.

On the point of census on race, as I indicated to the media, we have nothing to be ashamed of when we are asked that we should say that we are Canadians. The census is one taken among Canadians. Therefore it is a given that this is a census of Canadians. If we are asked about our origins and our heritage, we should be proud. I am proud to be a Filipino Canadian. The Jews are proud to be Jewish Canadians. Ukrainians are proud because they are Canadians as well. We are proud of our heritage. That is what our nation has taught us. It has given us self—confidence, self—worth and dignity.

On the motion itself, I agree with the hon. member that this is an example of co-operation taking place in the House. It is also a clear example that the government, when it sees a good amendment, tries to improve on it and makes it even better. We deal in this amendment, which was reached by consensus by all parties in the House, with non-fulfilment of the employment equity plan as a consequence of a poor identification that is based on self-identification.

I call to the House's attention that with this improved amendment we have also sustained another principle, confidentiality. I see the member who originally proposed the motion is smiling. I think this is what reconciliation is all about. We should be able to have a new principle without killing another principle. We should have one principle strengthen the other. Here we are preserving the principle of confidentiality.

Why does the government agree to this amendment, which was also refined by the government? It is because we heard witnesses acknowledge the limitations of the self-identification system. However, witnesses have also told the committee that

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we must retain the privacy and confidentiality of information. Obviously, we have to reconcile these two views.

We were not shown any other method by which to identify except by coercion. We agreed at the committee level that coercion would do more harm than good. Therefore, in the absence of an alternative tool, in the absence of limitation, the committee initiated that we should retain the self-identification approach. However, at the same time, the committee proposed that there be more openness on the part of employers to hold employer and employee meetings on a regular basis so that there would be a feeling of rapport between employees and employers. At the same time information sessions must be held by the employers to inform employees of the importance of identifying themselves so we can truly monitor the progress of employment equity in a given workplace.

• (1615)

As well, the committee recommended that managers in those businesses be given special training to enable them to be more persuasive of the need for self-identification.

On the issue of self-identification, in the spirit of this act it is very critical that the process be held in a climate or atmosphere of trust and confidentiality. It can only be accomplished if we truly convince employees that the purpose of self-identification is to ensure employment equity in the workplace. Nobody would disagree with that kind of approach.

On that note, I am pleased we have been able to arrive at the motion proposed by the member for Edmonton Southwest that has refined by the government. It is a classic example that the government always listens to good proposals whether they come from the opposition or from its own members.

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

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 11A. I understand the hon. member for Edmonton Southwest has a question about whether the text of the motion is the same in the two official languages. Does he wish to rise on a point of order?

Mr. McClelland: Mr. Speaker, I rise on a point of order. The table officers are presently looking into it. There seems to be some concern that the French text is not the same as the English text. We need to have that clarified.

The Deputy Speaker: There seems to be a problem with the translation of the last part of the motion. Since the original motion was in English perhaps, if it is acceptable to the member and the rest of the members in the House, we could take it as the one that will apply. Is that agreed?

Some hon. members: Agreed.

• (1620)

The Deputy Speaker: The hon, member for Edmonton Southwest has heard Motion No. 11A. Is it in accord with his understanding of the motion that was moved by unanimous consent?

Mr. McClelland: Yes, it is, Mr. Speaker.

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

Some hon. members: Agreed.

(Motion No. 11A agreed to.)

 $[Translation] % \label{translation} % \lab$

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): moved

Motion No. 13

 $That Bill \, C-64, in \, Clause \, 28, be \, amended \, by \, adding \, after \, line \, 31, on \, page \, 20, the \, following:$

"(4.1)WherethePresident of the Panel appoints one or more persons as members of a Tribunal, the President shall make reasonable efforts to appoint persons

- (a) from designated groups in a proportion that reflects their representation in the Canadian population as a whole; and
- (b) who, in the opinion of the President, are highly knowledgeable about employment equity or have substantial experience in this area."

Motion No. 14

That Bill C-64, in Clause 28, be amended by adding after line 31, on page 20, the following:

- ``(4.1) Where the President of the Panel appoints one or more persons as members of a Tribunal, the President shall make reasonable efforts to appoint persons
 - (a) from designated groups in a proportion that reflects their representation in the Canadian population as a whole; or
 - (b) who, in the opinion of the President, are highly knowledgeable about employment equity or have substantial experience in this area."

He said: Mr. Speaker, for your information, my colleague is Mr. Deshaies, and I thank him for supporting the motion.

I would simply like to say what it is about. One of the innovations in this bill, which has earned the support of the official opposition, is that the Canadian Human Rights Commission will be made specifically responsible for enforcing the Employment Equity Act. No doubt, for those not familiar with employment equity, it would be useful to point out that it involves making arrangements to ensure that four categories of people in our society: women, persons with disabilities, aboriginal peoples and members of visible minorities may finally take their rightful place in the labour market.

One of the means the bill proposes is the obligation, which applies to both the private sector and the public sector—making the public sector subject to the provisions of the bill is another

one of its innovations—meaning that, once the bill receives royal assent, 300,000 other Canadians and Quebecers will be covered by employment equity.

Another obligation under this bill is that of preparing an employment equity plan, which is to be submitted the following June to the director responsible for the program at Human Resources Development Canada. It will be up to the Minister of Human Resources Development to combine all the plans submitted by both the private and public sectors.

The reason I say this is very important is because, when plans are missing, when an employer fails to submit an employment equity plan within the required time period and fails to make all reasonable efforts—the expression used in the bill—to achieve the employment equity objectives he set for himself, then a course of redress is possible. That is where the amendment enters in.

• (1625)

For the first time since the Employment Equity Act was assented to, that is since 1986, the human rights commissioner will be able, on request and as he sees fit during summary proceedings where there has been an admission of guilt, to establish an employment equity review tribunal.

This is an extremely important body for enforcing the act because there is no provision for a right of appeal. The commissioner will therefore have the responsibility of creating a committee from whose decisions there may be no appeal, as the hon. parliamentary secretary who is so fascinated by these questions is aware. In other words, decisions will be final and binding.

The Bloc's amendment, which I believe is a well thought out amendment, will certainly gain government support, since this government is beginning to feel more and more alone.

The amendment will consist in ensuring that the three administrative officers called upon to hear the case will come from designated groups.

We feel that this is important, that there must be a correlation, a link, between what it is felt that this act represents and those who will be bringing down a decision in one of these administrative proceedings.

These are the reasons it is so vital for this bill to be amended and for the commission members not to be already in the employ of the Human Rights Commission. The Human Rights Commission employees do a good job, no denying; they are well informed about the various statutes concerning human rights, but they have never brought down decisions relating to employment equity. We on this side of the House would like to see a

specific clause in this bill devoted to the Human Rights Commission's ability to select from among the general population people to represent women, the disabled, visible minorities and, of course, aboriginal people.

We feel that it will be far more worthwhile for this tribunal not to require any exceptional procedures and for it to be flexible. The only thing that will be exceptional will be the right of appeal, as I have already stated. The principles of natural justice will have to apply, but should a tribunal decision be found to have been in error, there would still be the possibility of applying for an appeal to be heard in the Federal Court of Appeal.

Basically, we think it would be useful to amend the bill so that the commissioners who sit on these tribunals are members of the groups for whom we are trying to ensure representation.

I must say I regret, and I say this with my usual frankness, that the government was not very receptive to this amendment in committee. Now you know my philosophy: I always do everything out in the open. I told the government I would introduce an amendment, and they have not been very receptive.

I hope that between consideration in committee and the debate we are having today, the government will have reconsidered, because this is supported by representatives of the cultural communities who appeared before the committee and by the unions.

I may recall that this amendment would not involve additional expenditures, since in any case, it does not change what the bill now prescribes, which is the presence of three commissioners whose remuneration shall be paid by the Canadian Human Rights Commission.

• (1630)

Since the government has maintained the same designation procedure and did not feel it was necessary to add another category, the groups are still the same, in other words, women, aboriginal peoples, persons with disabilities and visible minorities. In committee we discussed the relevance of adding a fifth or sixth category but concluded that we did not have enough information on other groups in society that might experience specific discrimination in the workplace.

Since the designated groups were maintained and are still designated on the basis of self-designation, I think it makes sense to take the same approach when administrative authorities are asked to hand down rulings, that is, when an employment equity review tribunal is appointed.

I have the impression, and I say this with the utmost caution, that this is also an amendment the Reform Party would like to see. Again, and we cannot repeat this often enough, this will not involve any additional budgetary expenditures, since the composition of the employment equity review tribunal remains the same when a tribunal is established at the request of the human

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rights commissioner, since according to the bill, establishment of a tribunal may be requested by either the employer or the Canadian Human Rights Commission.

We feel this amendment will considerably improve the bill. I hope it will receive the support of a majority of the members in this House.

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, let me first say that I am proud, as a Quebecer and a Canadian, of the major step forward we are about to take in matters of equality and human rights with the passing of this bill on employment equity.

I would also like to thank our colleague for Hochelaga—Maisonneuve for his strong and sincere commitment to human rights and to promoting equality and equity for all of Canada's citizens.

I thank him for his ongoing efforts in this regard, both on the Standing Committee on Human Rights and the Status of Disabled People and here in the House of Commons. He continues to express his commitment with the motions he is putting before the House today in order to further improve this bill on employment equity.

With the motions we are debating, that is, Motions Nos. 13 and 14, he is proposing that the people appointed to an employment equity review tribunal themselves represent designated groups or have knowledge or particular experience in this area.

Given the legislation it applies to, the motion is highly justifiable in theory. However, it seems fairly clear to us, as some of my colleagues have already mentioned, with all due respect to my colleague, that it is literally inapplicable in practice. For the information of my fellow members, I think it would be useful to first look at the nature and the function of this tribunal and to put it in the context of the logic of this bill so we can understand when and how it intervenes and how it is made up. First, when does it intervene?

The employment equity review tribunal takes action following an intervention by a compliance officer with an employer governed by the act. When should a compliance officer audit an employer? When there is a need to determine if an employer fulfils his or her obligations under the act.

Who decides if an audit must be conducted? Again, this decision is made by the Canadian Human Rights Commission, to which the bill gives the authority to enforce the act and monitor employers' compliance.

Clause 22 of the bill provides that the commission is responsible for the enforcement of the obligations imposed on employers by the sections that concern them.

The human rights commission determines if a given employer is complying with the employment equity requirements outlined in the act.

• (1635)

To assume this responsibility, the commission may designate a person to conduct compliance audits of employers on its behalf. This person is the compliance officer referred to in clause 23. If the audit reveals that the employer failed to fulfil any of his or her obligations, the compliance officer tries to reach an agreement with the employer to implement the corrective measures required.

However, if the compliance officer and the employer cannot come to an agreement, the commission may order the employer to correct the situation. During the time limits set out in clause 27, the employer can challenge the commission's decision by asking the president of the human rights tribunal panel to conduct a review, again under clause 27. As for the commission, it has the same recourse if the employer does not comply with its decision within the prescribed deadline.

It is at this point that, in either case, the employment equity review tribunal becomes involved. Under clause 28, the tribunal consists of one member of the human rights tribunal panel appointed by the president of that panel. In more complex cases, the president can appoint a tribunal of three members.

The most basic arithmetic shows that the first part of Motions Nos. 13 and 14 tabled by the member for Hochelaga—Maisonneuve are unnecessary since, in most cases, the tribunal would consist of only one person. Indeed, we cannot see how a single person could represent designated groups in a proportion that reflects their representation in the Canadian population as a whole.

The member supports his argument by saying that the tribunal will often consist of more than one member if Motion No. 12 is carried, in addition to those cases where the president will deem appropriate to appoint three people. But again, the number of members would still be too small to ensure significant representation of designated groups.

Even if we implement the idea of a degree of representation for designated groups, we will unnecessarily complicate the already complex task of the president of the panel, while also, in some cases, casting a doubt regarding the impartiality of this judicial process. In short, that part of the motion would create more problems than it would solve.

The second part of the motion is definitely more reasonable and easier to implement. It provides that, in the opinion of the president, the persons appointed as members of an employment equity review tribunal are highly knowledgeable about employment equity, or have substantial experience in this area. The government has already said it agrees with that idea. The standing committee which reviewed the bill passed an amendment requiring that, when appointing tribunals, the president of

the panel take into account the knowledge and experience of people in the area of employment equity.

I believe that the amendment proposed by the committee is quite similar to the one tabled by the hon. member for Hochelaga—Maisonneuve. Moreover, the same clause, specifically clause 28(7), provides that the president of the panel may hire persons having technical or special knowledge to assist or advise a tribunal. Clearly, the bill already provides sufficient guarantees that the tribunal will rely on sound knowledge in the area of employment equity. Consequently, in my opinion, the amendment proposed by the hon. member is absolutely not necessary.

The Deputy Speaker: Before recognizing the hon. member for London—Middlesex, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for The Battlefords—Meadow Lake—Indian Affairs.

[English]

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, I begin my remarks by thanking the hon. member for Hochelaga—Maisonneuve for his proposed amendment. Clearly he has heard an argument that was made during the hearings of the committee that he believes has merit. Having said that, I will not vote in favour of his amendment. I believe the essential goal of the amendment has already been captured in the change which the committee made to Bill C-64.

• (1640)

The standing committee achieved the appropriate balance in the legislation. It responded to the essence of the points it heard on the issue. It did so in a way that is consistent with the spirit of the bill. There are many practical reasons why going further simply will not work.

We have often heard that justice must not only be done, it must be seen to be done. That should apply in the work of the new employment equity review tribunals. If we want the system to work as well as it must, then we should want the most competent persons to hear cases.

That becomes even more important when we understand how complex the cases that will come before these tribunals can be. They will often involve equity and human rights considerations. They will consider real world business practices and human resource management approaches. They will involve a careful assessment and balancing of needs and priorities. That demands a reasonable level of expertise in the members of a tribunal. Yet, as many witnesses pointed out, some members of the Canadian human rights tribunal panel have not necessarily had any real knowledge of employment equity issues in the past. They have not necessarily come in to cases with any expertise in workplace issues.

Some employer and labour representatives said this was no place for on the job training and yet that is what they have seen. They cited examples in which the individuals hearing cases clearly knew far less than the people appearing before them. The result was frustration, added cost and some doubt as to whether a truly just decision could be rendered. In the same vein, representatives of designated groups saw a need for tribunal members who were truly aware of their situation. They were concerned that tribunal members would not understand the barrier they faced and the need for action.

When we look at the committee's report we see that witnesses offered many suggestions on how to improve this state of affairs. This proposed amendment draws on some of those ideas.

The committee took a different course. I think it was a better course. It chose to amend Bill C-64 by requiring the president of the Canadian human rights tribunal panel to give due consideration to the expertise of individuals he or she might appoint to employment equity review tribunals. That amendment would give the president of the panel a clear direction without tying his or her hands.

In a way, that decision is consistent with the direction of the entire bill. The emphasis is on reasonable efforts to place qualified people in this role. It does not set a quota. It does not incorporate the labour relations based model into the process. It does not assume that there should be representatives of perspectives that are in probable opposition to each other. Moreover, it permits a flexible approach where appropriate. The goal is to appoint tribunal members who understand the issues and who can rule on them fairly.

Not only are there sound philosophical reasons for the House to support the committee's approach and to reject the amendment, there are sound practical reasons to do so as well. One of the most important pertains to the size of the tribunals. Tribunals do not have seven or nine people on them who can be chosen to fill certain quota needs. A tribunal will have either three or just one person.

If three persons are hearing a case, and that was the preference of the committee as hon. members may recall, how will the representation issues be resolved? That problem becomes unsolvable if a one person tribunal is established. Hon. members should remember that one person tribunals may often be appointed in less complex cases. In those instances, representation of designated groups, expertise and experience simply cannot be achieved in a fashion that most people will see as fair.

Clearly it is not possible to make a system of proportional representation work well for three people and it simply cannot work for one person. It is far better to concentrate on expertise and experience. In any event, representation is taking care of itself.

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When Keith Norton, the president of the Canadian human rights tribunal panel, appeared before the standing committee he agreed that the tribunal should have membership from all walks of life. It would be similar to what we see happening across the judiciary. It is growing more and more representative of society all the time.

The committee has done its work and has done it very well. I commend its members for that work. Because of that direction I do not think we should support this amendment.

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

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 13. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

[Translation]

The Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on the motion is deferred.

[English]

The House will now proceed to the taking of the deferred divisions at the report stage of the bill now before the House.

Call in the members.

And the bells having rung:

The Deputy Speaker: Having heard the request from the chief government whip, the vote will be deferred until five o'clock.

SUSPENSION OF SITTING

Mr. Boudria: Mr. Speaker, in view of the fact that only slightly over ten minutes are left, instead of pursuing other government business perhaps the House would give its consent to suspend for 12 minutes.

The Deputy Speaker: Is there unanimous consent to suspend the House for 12 minutes?

Some hon. members: Agreed.

(The sitting of the House was suspended at 4.47 p.m.)

Gagnon (Québec)

Government Orders

SITTING RESUMED

The House resumed at 5.01 p.m.

The Deputy Speaker: The House will now proceed to the taking of the deferred divisions on Bill C-64. The first question will be on Motion No. 1.

Call in the members.

Adams

Anderson

(The House divided on Motion No. 1, which was negatived on the following division:)

(Division No. 344)

YEAS

Members

Renoit Breitkreuz (Yellowhead) Bridgman Brown (Calgary Southeast/Sud–Est) Bryden Chatters Cummins Duncan Frazer Gouk Grey (Beaver River) Grubel Hanrahan Harper (Calgary West/Ouest) Harper (Simcoe Centre) Hayes Hill (Prince George—Peace River) Hermanson Hoeppner Mayfield McClelland (Edmonton Southwest/Sud-Ouest) Meredith Morrison Penson Ramsay Schmidt Ringma Scott (Skeena) Silve Solberg White (Fraser Valley West/Ouest) Thompson Williams —39

NAYS

Members Alcock

Assadourian

Axworthy (Saskatoon—Clark's Crossing)

Axworth Axworthy (Winnipeg South Centre/Sud-Centre) Bachand Baker Beaumier Bélair Bélanger Bélisle Bellehumeur Rellemare Bernier (Mégantic—Compton—Stanstead) Bergeron Bertrand Rethel Bhaduria Bevilacqua Blondin-Andrew Bodnar Bouchard Rondria Brien Brown (Oakville-Milton) Caccia Calder Cannis Catterall Clancy Collins Cauchon Cohen Copps Crawford Comuzzi Cowling Culbert Daviault de Savoye Deshaies DeVillers Dhaliwal Discepola Dromisky Dubé Duceppe Duhamel Dumas Easter Eggleton English Fewchuk Fillion Finlay Frv Gaffney Gagliano

Godin Godfrey Goodale Graham Grose Guay Guimond Harb Harper (Churchill) Harvard Hickey Hopkins Hubbard Ianno Iftody Jackson Irwin Jordan Keyes Kirkby Knutson Lalonde Kraft Sloan Landry Langlois Laurin LeBlanc (Cape/Cap-Breton Highlands—Canso) Lee Leroux (Shefford) Leroux (Richmond-Wolfe) Loney MacAulay Maclaren MacLellan (Cape/Cap-Breton-The Sydneys) Malhi Maloney Marchand Massé McCormick McKinnon McLaughlin McTeague McWhinney Ménard Milliken Mifflin Mitchell Murphy Murray Nunziata O'Brien O'Reilly Pagtakhan Paradis Paré Parrish Pavne Peric Peterson Phinney Picard (Drummond) Pickard (Essex-Kent) Pomerleau Reed Richardson Regan Ringuette-Maltais Robillard Rocheleau Sauvageau Scott (Fredericton-York-Sunbury) Sheridan Skoke Solomon St. Denis Steckle Stewart (Brant) Szabo Taylor Terrana Torsney Tremblay (Rimouski—Témiscouata) Ur Valeri Venne Verran Volpe Wells Whelan Wood

Gauthier

PAIRED MEMBERS

Bernier (Gaspé) Arseneault Canuel Crête

Dalphond-Guiral Gagnon (Bonaventure--Îles-de-la-Madeleine)

Gerrard Gray (Windsor West/Ouest)

Jacob Loubier Manley Minna Plamondon Vanclief

• (1725)

Zed-159

The Deputy Speaker: I declare Motion No. 1 lost. I therefore declare Motions Nos. 6, 8, 9, 10, 15, 16 and 17 also lost.

The next question is on Motion No. 5 of group 3.

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent to apply the vote taken on the previous motion to the motion now before the House.

Fillion

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

Benoit

Mr. Bryden: Mr. Speaker, I would like to be recorded as voting with the government on this motion.

Ms. Marleau: Mr. Speaker, I would like to be recorded as voting with the government on this and further votes.

Mr. Tobin: Mr. Speaker, I wish to bring to your attention, thanks to the proddings of my colleague opposite, that I missed the first vote. I am now here and wish to be counted with the government subsequently.

(The House divided on Motion No. 5, which was negatived on the following division:)

(Division No. 345)

YEAS

Members

Breitkreuz (Yellowhead) Brown (Calgary Southeast/Sud-Est) Bridgman Chatters Cummins Duncan Epp Gilmour Frazer Grey (Beaver River) Gouk Grubel Harper (Calgary West/Ouest) Hanrahan Harper (Simcoe Centre) Hart Hermanson Hoeppner McClelland (Edmonton Southwest/Sud-Ouest) Hill (Prince George—Peace River) Mayfield Meredith Morrison Mills (Red Deer) Ramsay Schmidt Ringma Scott (Skeena) Silye Solberg Thompson White (Fraser Valley West/Ouest) Williams -38

NAYS

Members Alcock

Adams	Alcock
Anderson	Assadourian
Asselin	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre/Sud-Centre)	
Baker	Barnes
Beaumier	Bélair
Bélanger	Bélisle
Bellehumeur	Bellemare
Bergeron	Bernier (Mégantic—Compton—Stanstead)
Bertrand	Bethel (Weganite Compton Stanstead)
Bevilacqua	Bhaduria
Blondin-Andrew	Bodnar
Bonin	Bouchard
Boudria	Brien
Brown (Oakville—Milton)	Bryden
Caccia	Calder
Cannis	Caron
Catterall	Cauchon
Clancy	Cohen
Collins	Comuzzi
Copps	Cowling
Crawford	Culbert
Daviault	de Savoye
Debien	Deshaies
DeVillers	Dhaliwal
Discepola	Dromisky
Dubé	Duceppe
Duhamel	Dumas
Easter	Eggleton
English	Fewchuk

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Finlay

Fry Gagliano Gaffney Gagnon (Québec) Gauthier Godfrey Goodale Godin Grose Guimond Graham Guay Harb Harper (Churchill) Harvard Hickey Hubbard Hopkins Ianno Iftody Irwin Jackson Jordan Keyes Kirkby Kraft Sloan Knutson Lalonde Landry Langlois LeBlanc (Cape/Cap-Breton Highlands—Canso) Leroux (Richmond—Wolfe) Laurin Lee Leroux (Shefford) Loney MacAulay MacLellan (Cape/Cap-Breton—The Sydneys) Maclaren Malhi Maloney Marleau Marchand McCormick McKinnor McLaughlin McTeague McWhinney Ménard Mifflin Milliken Mitchell Murphy Nunziata Murray O'Brien O'Reilly Pagtakhan Paradis Paré Parrish Payne Peterson Phinney Picard (Drummond) Pickard (Essex—Kent) Pomerleau Reed Regan Richardson Ringuette-Maltais Robillard Rocheleau Scott (Fredericton—York—Sunbury) Sauvageau Sheridan Skoke Solomon St. Denis Steckle Stewart (Brant) Szabo Taylor Terrana Torsney Tremblay (Rimouski—Témiscouata) Ur Valeri Venne Volpe Verran Wells Whelan Zed-162

PAIRED MEMBERS

Members

Arseneault Bernier (Gaspé)

Crête

Dalphond-Guiral Gagnon (Bonaventure—Îles-de-la-Madeleine) Gray (Windsor West/Ouest) Gerrard

Jacob Manley Minna Plamondon Vanclief

The Deputy Speaker: I declare Motion No. 5 lost.

(1730)

Wood

The next question is on group 4, Motion No. 7.

[Translation]

Mr. Boudria: Mr. Speaker, I believe the House would give its unanimous consent that all members who voted on the previous motion, that is Motion No. 5, be recorded as having voted on the

motion now before the House, with the Liberal members recorded as voting nay.

Mr. Duceppe: The Bloc Quebecois members will vote yea.

[English]

Ringma

Sauvageau

Solomon

Scott (Skeena)

Tremblay (Rimouski—Témiscouata)

White (Fraser Valley West/Ouest)

Mr. Ringma: Reform members will vote in favour of this motion except for those who wish to vote otherwise. This is the only time I will say that this evening.

Mr. Silye: I wish to vote otherwise, Mr. Speaker. I vote against this motion.

Mr. Solomon: Mr. Speaker, New Democrats present this afternoon vote yea on this motion.

Mr. Bhaduria: Mr. Speaker, I will be voting against this motion.

The House divided on Motion No. 7, which was negatived on the following division:

(Division No. 346)

YEAS

Members

Axworthy (Saskatoon—Clark's Crossing) Asselin Bachand Bélisle Bellehumeur Benoit Bernier (Mégantic—Compton—Stanstead) Breitkreuz (Yellowhead) Bouchard Bridgman Brown (Calgary Southeast/Sud–Est) Caron Cummins de Savoye Chatters Daviault Debien Dubé Deshaies Duceppe Duncan Fillion Dumas Epp Gagnon (Québec) Gilmour Frazer Gauthier Gouk Grubel Godin Grey (Beaver River) Guay Hanger Guimond Hanrahan Harper (Calgary West/Ouest) Harper (Simcoe Centre) Hermanson Hill (Prince George-Peace River) Hoeppner Landry Langlois Laurin Leroux (Richmond-Wolfe) Leroux (Shefford) Marchand McClelland (Edmonton Southwest/Sud-Ouest) Mayfield McLaughlin Ménard Meredith Mills (Red Deer) Morrison Paré Picard (Drummond) Penson Ramsay Rocheleau Pomerleau

Schmidt

Solberg

Stinson Thompson

Venne

Williams —78

NAYS

Members

Adams Alcock Anderson Assadourian Axworthy (Winnipeg South Centre/Sud-Centre) Baker Barnes Bélair Bélanger Bellemare Bertrand Bethel Bevilacqua Bhaduria Blondin-Andrew Bodnar Bonin Brown (Oakville-Milton) Boudria

Bryden Caccia Cannis Catterall Cauchon Clancy Collins Cohen Comuzzi Cowling Copps Crawford Culbert DeVillers Dhaliwal Discepola Dromisky Duhamel Easter Eggleton English Fewchuk Finlay Flis Fontana Frv Gaffney Gagliano Godfrey Goodale Graham Grose Harb Harper (Churchill) Harvard Hopkins Ianno Irwin

Hickey Hubbard Iftody Jackson Jordan Kirkby Keves Kraft Sloan LeBlanc (Cape/Cap-Breton Highlands-Canso) Loney MacAulay

MacLellan (Cape/Cap-Breton-The Sydneys) Maclaren

Malhi Maloney Marleau Massé McCormick McKinnon McTeague McWhinney Mifflin Milliken Mitchell Murphy Murray Nunziata O'Brien O'Reilly Pagtakhan Paradis Parrish Payne Peric Peterson Pickard (Essex-Kent) Phinney Reed Regan Richardson Ringuette-Maltais Robillard Scott (Fredericton—York—Sunbury)

Silye St. Denis Sheridan Skoke Steckle Stewart (Brant) Szabo Terrana Tobin Torsney Ur Valeri Volpe Verran Wells Whelan Wood Zed-122

PAIRED MEMBERS

Arseneault Bernier (Gaspé) Canuel Crête

Dalphond-Guiral Gagnon (Bonaventure--Îles-de-la-Madeleine)

Gerrard Gray (Windsor West/Ouest)

Jacob Loubier Manley Minna Plamondon Vanclief

The Deputy Speaker: I declare the motion lost.

The next question is on group 6, Motion No. 13.

A positive vote on Motion No. 13 will obviate the necessity of the question being put on Motion No. 14.

[English]

A negative vote on Motion No. 13 necessitates the question being put on Motion No. 14.

Mr. Boudria: Mr. Speaker, if you were to seek it I believe the House would give its unanimous consent that all members who voted on the previous motion be recorded as having voted on the motion now before the House with Liberal members voting nay.

[Translation]

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

Mr. Duceppe: Mr. Speaker, the Bloc members will vote yea.

[English]

Mr. Ringma: Mr. Speaker, most Reformers will vote no 347.

Mr. Solomon: Mr. Speaker, members of the New Democratic Party who are in the House this evening vote yea on Motion No. 13

Mr. Bhaduria: Mr. Speaker, I will be voting against this motion.

(The House divided on Motion No. 13, which was negatived on the following division:)

(Division No. 347)

YEAS

Members

Asselin Axworthy (Saskatoon-Clark's Crossing) Bachand Rélisle Bellehumeur Bergeron Bernier (Mégantic-Compton-Stanstead) Bouchard Daviault de Savove Debien Deshaies Duceppe Fillion Dubé Dumas Gagnon (Ouébec) Gauthier Guay Guimond Lalonde Landry Langlois Leroux (Richmond—Wolfe) Marchand Laurin Leroux (Shefford) McLaughlin Ménard Picard (Drummond) Paré Pomerleau Rocheleau Sauvageau Taylor Tremblay (Rimouski-Témiscouata) Venne—41

NAYS

Members

Alcock Anderson Assadourian Axworthy (Winnipeg South Centre/Sud-Centre) Baker Reaumier Bélair Bélanger Bellemare Bertrand Bethel Bhaduria Bevilacqua Blondin-Andrew Rodnar Bonin Boudria Breitkreuz (Yellowhead) Bridgman

Brown (Calgary Southeast/Sud-Est)
Brown (Oakville—Milton)
Bryden
Caccia

Calder Cannis Catterall Cauchon Chatters Clancy Collins Copps Crawford Comuzzi Cowling Culbert Cummins DeVillers Dhaliwal Discepola Dromisky Duhamel Duncan Easter Eggleton English Fewchuk Flis Fontana Fry Frazer Gagliano Godfrey Gaffney Gilmour Goodale Graham

Goodale Gouk Graham Grey (Beaver River)
Grose Grubel Hanear Hanrahan

Harb Harper (Calgary West/Ouest)
Harper (Churchill) Harper (Simcoe Centre)

Hart Harvard Hayes Hermanson

Hickey Hill (Prince George—Peace River)

Loney MacAulay Maclaren MacLellan (Cape/Cap-Breton—The Sydneys)

Malhi Maloney Marleau Massé

Mayfield McClelland (Edmonton Southwest/Sud-Ouest)

McCormick McKinnon McTeague McWhinney Meredith Mifflin Mills (Red Deer) Milliken Mitchell Morrison Murphy Murray O'Brien Pagtakhan Nunziata O'Reilly Paradis Payne Penson Peterson

Pickard (Essex-Kent) Phinney Reed Ramsay Regan Richardson Ringuette-Maltais Robillard Schmidt Scott (Skeena) Scott (Fredericton-York-Sunbury) Skoke Solberg St. Denis Stewart (Brant) Stinson

Szabo Terrana
Thompson Tobin
Torsney Ur
Valeri Verran
Volpe Wells

Whelan White (Fraser Valley West/Ouest)

Williams Zed__159

PAIRED MEMBERS

Arseneault Bernier (Gaspé) Canuel Crête

Dalphond-Guiral Gagnon (Bonaventure—Îles-de-la-Madeleine)

Gerrard Gray (Windsor West/Ouest)
Loubier

Jacob Loubier
Manley Minna
Plamondon Vanclief

[Translation]

The Deputy Speaker: I declare Motion No. 13 defeated.

The next division will be on Motion No. 14 of Group No. 6.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe the House would give its unanimous consent that the vote on the previous motion, that is Motion No. 13, be applied to Motion No. 14 also.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[Editor's Note: See list under division No. 347.]

• (1735)

Adams

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.) moved that the bill, as amended, be concurred in and read the second time.

Mr. Boudria: Mr. Speaker, I rise on a point of order. If you were to seek it, I believe you would find unanimous consent to apply the vote taken on report stage Motion No. 5 in reverse to the motion now before the House.

For the clarification of my colleague whips, the reason I am using this vote as opposed to Motion No. 1 is that some members were absent for the first vote.

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

(Division No. 348)

YEAS

Members

Anderson Assadourian

Asselin Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre/Sud-Centre) Bachand
Barnes
Barnes

Baker Barnes Beaumier Bélair Bélanger Bélisle Bellehumeur Bellemare

Bellehumeur Bellemare
Bergeron Bernier (Mégantic—Compton—Stanstead)

Bertrand Bethel
Bevilacqua Bhaduria
Blondin–Andrew Bodnar
Bonin Bouchard
Boudria Brien
Brown (Oakville—Milton) Bryden
Caccia Calder

Cannis Caron Catterall Cauchon Clancy Collins Cohen Comuzzi Copps Crawford Cowling Culbert Daviault de Savove Deshaies **DeVillers** Dhaliwal Discepola Dromisky

Dubé Duhamel Duceppe Dumas Eggleton English Fewchuk Finlay Fillion Fry Gaffney Gagliano Gagnon (Ouébec) Godfrey Gauthier Godin Goodale Graham Grose Guay Guimond Harb Harper (Churchill) Harvard Hickey Hubbard Hopkins Iftody Jackson Ianno Irwin Jordan Keyes Kirkby Knutson Kraft Sloan Lalonde

Laurin LeBlanc (Cape/Cap-Breton Highlands—Canso)

Lee Leroux (Richmond—Wolfe)

Leroux (Shefford) MacAulay Maclaren MacLellan (Cape/Cap-Breton-The Sydneys) Malhi Maloney Marchand Marleau Massé McCormick McKinnon McLaughlin McTeague McWhinney Ménard Mifflin Milliken

| Middle | Milken | Milken | Milken | Mitchell | Murphy | Murray | Nunziata | O'Brien | O'Reilly | Pagtakhan | Paradis | Paref | Parrish | Payne | Peric |

Peterson Phinney
Picard (Drummond) Pickard (Essex—Kent)

Pomerleau Reed Richardson Regan Ringuette-Maltais Robillard Rocheleau Sauvageau Scott (Fredericton-York-Sunbury) Sheridan Skoke Solomon St. Denis Steckle Stewart (Brant) Szabo Taylor Terrana Tobin Torsney

 Tremblay (Rimouski—Témiscouata)
 Ur

 Valeri
 Venne

 Verran
 Volpe

 Wells
 Whelan

 Wood
 Zed—162

NAYS

Members

Benoit Breitkreuz (Yellowhead)

Bridgman Brown (Calgary Southeast/Sud-Est)
Chatters Cummins
Duncan Epp
Frazer Gilmour

Gouk Grey (Beaver River)
Grubel Hanger

Hanrahan Harper (Calgary West/Ouest)
Harper (Simcoe Centre) Hart
Hayes Hermanson
Hill (Prince George—Peace River) Hoeppner

Hill (Prince George—Peace River) Hoeppner
Mayfield McClelland (Edmonton Southwest/Sud–Ouest)

 Meredith
 Mills (Red Deer)

 Morrison
 Penson

 Ramsay
 Ringma

 Schmidt
 Scott (Skeena)

 Silye
 Solberg

 Stinson
 Thompson

 White (Fraser Valley West/Ouest)
 Williams —38

PAIRED MEMBERS

Arseneault Bernier (Gaspé) Canuel Crête

Calmond-Guiral Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard Gray (Windsor West/Ouest)

Gerrard Gray (Windsor \
Jacob Loubier

Manley Minna
Plamondon Vanclief

The Deputy Speaker: I declare the motion carried.

(Bill concurred in and read the second time.)

The Deputy Speaker: The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

MINING EXPLORATION AND DEVELOPMENT

The House resumed from June 5 consideration of the motion.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is a pleasure for me to rise in the House tonight to speak on Motion M–292 which reads:

That, in the opinion of this House, the government should consider implementing a new program of mining incentives which would encourage exploration and development in Canada.

[Translation]

But before going any further, I would like to state some very important facts, for the benefit of our viewers. First of all, Canada is the third largest mining country in the world, extracting about 60 metals and minerals, including zinc, uranium, potash and gold. The mining industry provides employment for approximately 335,000 Canadians in 150 communities. Mining companies in Northern Ontario have created 18,000 direct jobs in the metal industry and 5,000 in the non metallic minerals industry. I am very proud to say that the Williams mine, in Marathon, in the riding of Cochrane—Superior, is the largest gold mine in Canada.

There are, however, many barriers to the survival of the mining industry. First of all, mining exploration is a temporary land use that disrupts small areas for a very short time period. Once the mineral deposit is depleted, cleanup procedures are undertaken and land can be used for other purposes. Unfortunately, land use issues are fraught with uncertainty because of

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the development of new parks and native land claims, some of which are being negotiated as we speak.

The industry is facing new difficulties since countries like Chile, Argentina and Mexico are upgrading their economies and taking steps to attract mining exploration and, thus, investors.

(1740)

In 1993, Canadian companies with budgets over \$1 million invested nearly \$260 million, or half their budgets, in exploration outside of Canada. This represents an increase over 1992, when these companies devoted 40 percent of their exploration budgets abroad.

Why is that? First of all, at the natural resources committee hearings last year, the Canadian mining industry informed us of the stringent environmental standards—that is the first problem—and the slow licensing process as well. The second problem is non–unionized labour in Latin America and Mexico. Because of this, wages are extremely low; also, the standard of living is lower in these countries than here. Investors enjoy a much higher return on their investments down there than in Canada.

Since the licensing and environmental assessment processes are under federal and provincial jurisdiction, they are characterized by duplication and delay. We need at least \$900 million to \$1 billion a year in exploration capital in Canada to rebuild our ore reserves which have dropped dangerously.

We must bear in mind that, from 1990 to 1994, while 44 mines shut down operations in Canada, only 24 were opened.

[English]

If we want mining exploration to continue and to keep investors interested, there should be incentives from the government. We need a new program of mining incentives that will encourage exploration and development, encourage Canadian companies to keep investing in their country. That will permit the industry to help stabilize the economy and create employment.

Last year, as I mentioned a while ago, the committee for natural resources issued a report after its very long hearings. The report says:

Canada needs to remove existing structural impediments to the achievement of a sound mineral investment climate. These have been identified as: the tax burden on the industry, particularly the one imposed by non-profit taxes; the inefficiencies of the currenten vironmental regulatory regime; and the uncertainty surrounding land use policies and security to mineral title.

Another recommendation coming from the report is that the government has to work with mining communities and the provincial governments to establish those crucial partnerships to work together to ensure that we have a viable mining industry in Canada.

There is a great need for the harmonization of environmental guidelines. As it is today, the federal government's guidelines

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differ from those of many of the provinces. This simply adds complexity to opening new mines.

The mining companies are not asking for grants but they want a level playing field and a tax system that is truly competitive with the rest of the world. There should be security of land tenure and a certainty of continuity in the rules of the game in terms of issuing permits and doing environmental assessments.

After extensive hearings the Standing Committee on Natural Resources have recommended nine key points on mining incentives. These points were also present in the Whitehorse mining initiative report.

I would like to emphasize a few of those recommendations. First, change the adjusted cost base of flowthrough shares from zero to the actual costs of the shares for five years only, to kickstart mining exploration again.

Flowthrough shares would provide a less costly means of raising equity based financing for exploration and development by facilitating a widespread share issue. Flowthrough shares allow access to a broad range of investors while minimizing the impact on corporate management and control.

• (1745)

Second, there should also be harmonization in the federal and provincial environmental guidelines. Co-operation agreements should be established among the jurisdictions for the development, administration and enforcement of environmental standards to improve the efficiency and effectiveness of the regulatory system and to reduce unnecessary industry regulatory compliance costs.

A new mining project should be subject to only one timely environmental assessment by a single lead agency with only one set of recommendations that meet all the requirements. We should try to conciliate conserving the environment with the creation of employment.

Third, we should amend the Income Tax Act to defer taxation of income generated by mine reclamation trusts until the funds within these trusts are finally allocated for reclamation purposes. Reclamation funds should be treated also like RRSPs.

Therefore I support Motion No. 292 by my colleague from Timiskaming. I insist at the same time that we should provide a newer direction for our mining industry and ensure that it continues to make a strong contribution to the Canadian economy.

[Translation]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I would like, first of all, to thank or congratulate the hon. member for Timiskaming—French River for tabling this motion, and introducing it in the House on June 5 of this year. This motion reads as follows:

That, in the opinion of this House, the government should consider implementing a new program of mining incentives which would encourage exploration and development in Canada.

When he talked on his motion, the hon. member mentioned in this House that in the area of mining, there was a substantial increase in exploration throughout Canada in 1994. However, this is not the opinion expressed by the Association des prospecteurs du Québec in a letter dated March 30, addressed to the Minister of Finance.

The letter said in particular that the government does not seem to realize that there is currently in Canada a lack of exploration which is mortgaging the future of the whole Canadian mining industry. The letter also said that it was urgent to try to replenish our mineral reserves. If we neglect to do that it will have an impact on a whole economic activity which is directly or indirectly connected with the mining and smelting industry in Canada.

I would like to say that we should make a distinction between mining exploration itself, where there was substantial growth in 1994 compared to 1993, and activities dependent on mining exploration, which also grew in 1994. We should mention, however, that despite this strong growth, we are a long way from the levels which existed in the early 1980s.

This being said, we can realize the scope of what the hon. member for Timiskaming—French River was saying and I quote: "Despite this, major problems and impediments still exist to a sound and sustainable mining sector in this country." It is in this context that the hon. member was asking the House to press the government to implement a program of incentives which would encourage exploration and development in the mining sector in Canada.

Of course, there is no reason why we should oppose this motion, even though it seems to be nothing but an expression of intent. However, assuming that the House of Commons agrees to this motion at the time of the vote, what will it give us that we do not have already?

The problem is not that Motion M-292 is inappropriate, but that it is not sufficient to solve the mining problem in Canada. In its report on the Canadian mining industry that was tabled before Parliament in December 1994, the Standing Committee on Natural Resources made a series of recommendations that all committee members, whatever their party affiliation, agreed on.

Of these recommendations, there are two that I will now outline for you. First, recommendation No. 3 which says: "That the federal government introduce a mineral exploration incentive by modifying the Income Tax Act to incorporate a change in the adjusted cost base of flow—through shares from a value of zero to the actual cost of the shares".

Then, recommendation No. 4, which everybody agreed on: "That in order to enhance the effectiveness of exploration work financed by means of flow-through shares, the federal government enable the exploration activity funded through such shares to be carried out over a period of one full year after financing".

(1750)

The problem with the motion of the member for Timiskaming—French River is that, as it stands currently, it would do nothing concrete to stimulate mining exploration. It would be insufficient, in itself, to ensure implementation of the recommendations of the Standing Committee on Natural Resources, that the hon member moving this motion is a member of.

If I brought to the attention of the House the committee recommendations that deal with flow-through shares, it is because my colleague from Abitibi also moved before Parliament a motion, Motion M-247, that has the same objective as Motion M-292, but would have a more obvious impact on mining exploration.

I do not intend to deal at length with the motion moved by my hon. colleague from Abitibi, but rather on the one moved by the hon. member for Timiskaming—French River. However, since both motions are very similar, I think it is relevant to speak to both. I would like to indicate that members of the Bloc Quebecois will support motion M-292 inasmuch as it is not at cross purposes with motion M-427 which we will also all support.

I will not dwell at length on the positive impact tax incentives could have on the mining industry, since my colleague from Abitibi covered that very well, but I would like to mention that this kind of incentive has proved to be useful in Quebec, more particularly with small mining companies, which have a positive impact on local economies through their exploration operations.

The hon. member for Timiskaming—French River has given lots of figures, which my colleague opposite repeated a moment ago, to demonstrate the importance of mining in Canada and describe the Canadian position in mining exploration throughout the world in several sectors.

Despite all those figures, the government does not seem to get the point that the mining industry is one of the strongest foundations of the Canadian economy and deserves more than lip service. If motion M-292 carries, it will have a positive impact because we will at least know which way the government is heading as regards the development of our mining industry. And if the motion of the hon. member for Abitibi is agreed to, the mining industry will be able to know how the government intends to reach its goal.

In the time remaining, I would like to comment on statements made by the hon. member for Fraser Valley East in reaction to

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remarks made by the hon. member for Abitibi on his motion. The hon. member for Fraser Valley East said among other things, and I quote:

[English]

"I am surprised and I might almost say astonished that this particular motion would come from the hon. member for Abitibi". Let me paraphrase what he says. He wants the federal government to pour money into subsidies for industry in Canada and in Ouebec.

My colleague did not seem to understand the difference that exists between a federalist in Quebec and a sovereignist. A federalist in Quebec effectively always asks for more power and money. Sovereignists in Quebec do not want that at all. They want all the power and no money. We fully understand that being a minority in a majority means that we will fight forever, day after day, for bits of power and morsels of rights. We do not want bits of power and morsels of rights. We want all the power and all the rights. However, as long as we are in Confederation we will ask for our fair share of the federal expenses.

I will quote again the hon. member for Fraser Valley East: "I am surprised because the hon. member for Abitibi is a member of the Bloc Quebecois which, as we all know, is a political party with only one purpose and that is to destroy Canada as we know it by taking Quebec out of Confederation". That is a very strange affirmation.

Most Canadians actually believe, concerning Quebec of course, that we are a bunch of troublemakers, that we receive much more money from Canada than we put in, and that if the economic situation in Canada goes bad it is partly due to the political instability in Quebec. If those three assumptions are right and if people really believe them, the sovereignty of Quebec should be seen by most Canadians as a good way to solve a problem once and for all and save money, providing that we assume our fair share of the Canadian debt. That is exactly what we intend to do.

We are not a problem; we are the solution to a problem. If the no vote wins in Quebec we are back to square one. It will be 15 years of political debate to the next referendum, and I am sure nobody wants that. We do not want to destroy Canada. We simply think that Canadians should be able to run their country the way they want, without having to please Quebec at each moment, and that Quebec should be allowed to do the same.

• (1755)

My friend from Fraser Valley East continued: "I hope the member understands that people from my riding are frustrated by this kind of behaviour". I am frustrated too. I fully understand what frustration means, but the only way to put an end to that frustration is to support the sovereignty of Quebec.

A certain amount of Canadians believe that we are sovereignists because we hate Canadians. This is absolutely not true. We love Canadians but love has absolutely nothing to do with politics. I love my father very much; that is love. However I would never let my father run my business; that is politics.

I have worked everywhere in Canada: Edmonton, Toronto, southern Ontario, Regina, Saskatchewan and Saint John, New Brunswick. I have also worked in the United States: Texas, Florida, West Point and New York. I fully agree with the Prime Minister of Canada. If I were an immigrant from anywhere in the world trying to find a new country in which to live, Canada would be my first choice. However I am not an immigrant trying to find a new country in which to live. I already have a country. My country is Quebec.

[Translation]

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, I am very pleased to rise today to speak on the motion put forward by my colleague, the hon. member for Timiskaming—French River, which urges the government to consider implementing incentives to promote mining exploration and development in Canada.

Canada extends over some 10 million square kilometres and is one of the richest countries in the world in terms of natural resources. Its mining industry was ranked amongst the best in the world in many areas of mineral production. Mining has always played a major role in the Canadian economy, which is hardly surprising, since Canada is one of the biggest producers and exporters of non–fuel mineral resources.

Statistics for 1992 show that the non-fuel mineral resource industry accounted for a little over 4 per cent of the Gross Domestic Product and almost 3 per cent of employment. Also, these statistics indicate that the total value of the non-fuel mineral resource production for 1992 reach \$14.6 billion, which is 41 per cent of overall mineral production in Canada. It is important, also, to remember that Canada produces a little over 60 minerals. Except for phosphorus, manganese, bauxite and chrome, our country can meet its own needs in terms of minerals.

Statistics on exploration also speak volumes. Non-fuel mineral resource exports reached \$23 billion, a little over 15 per cent of total exports for Canada. During the same period, the value of our non-fuel mineral resource imports was estimated at \$13.2 billion, for a trade surplus of over \$9.8 billion. All these statistics reflect the outstanding progress made by the Canadian mining industry.

Technological innovation also has something to do with the boom enjoyed by this industry. However, the industry did not escape from the upheaval caused by the recession during the late 1980s and the early 1990s. Mining was hard hit during this period. But since 1993, it is recovering nicely. All of us in this House recognize that several irritants are still preventing Canada's mining industry from hitting its stride.

(1800)

This is why I wholeheartedly support the motion put forward by the hon. member for Timiskaming—French River, whom I wish to congratulate for this excellent initiative, especially since my hon. colleague showed, in the eloquent speech he made when he introduced his motion, that he is very much aware of the current codition of federal finances.

[English]

This motion has nothing to do with tax breaks, grants, or subsidies. Its only goal is to bring the government to consider measures that would not cost a lot of money to the Canadian taxpayer but will go a long way to ensure a brighter future to the Canadian mining industry and to the mining communities across Canada.

In its report of December 1994 entitled "Lifting Canadian Mining Off the Rocks", the House of Commons Standing Committee on Natural Resources proposed nine recommendations. Some of those recommendations would cost money if implemented, while others would emphasize collaboration and partnership that would alleviate some problems for the industry. Here are some of the recommendations.

Recommendation number three: "That the federal government introduce a mineral exploration incentive by modifying the Income Tax Act to incorporate a change in the adjusted cost base of flow through shares from a value of zero to the actual cost of the shares, that this new fiscal measure incorporate a cap on a given company's take—up of the tax benefit, and that the new incentive vehicle be in place for a maximum duration of five years".

Recommendation number four: "That in order to enhance the effectiveness of exploration work financed by means of flow through shares, the federal government enable the exploration activity funded through such shares to be carried out over a period of one full year after financing".

Recommendation number seven: "That once initial steps have been taken to improve the investment climate in Canadian mining, the federal government, its provincial and territorial counterparts, and the domestic mining industry develop through consultation an integrated approach to communicate the positive features of the Canadian mining sector to potential investors".

In May 1995 the Minister of Natural Resources responded very favourably to the report of the Standing Committee on Natural Resources on mining. She stated: "The Government of Canada remains committed to fostering a modern environmentally responsible mining industry that contributes significantly to Canada's economic growth and job creation. We are committed to ensuring in conjunction with provincial governments and the Canadian mining industry that there is a positive environment for investment in mineral exploration in Canada".

A month earlier in Miami, Florida at the investing in the Americas conference, the Minister of Natural Resources stated in her speech to the conference: "The Government of Canada recognizes the importance of the mining industry, its contribution to economic growth and jobs, and the challenges it faces".

During the last Canadian federal election the Liberal Party of Canada was the only political party to release a detailed policy outlining its commitment to the mining industry. This commitment has not wavered. We are proud of our mining industry and we believe its present and future prospects are excellent.

[Translation]

From the statements made by the Minister of Natural Resources, one can only conclude that the federal government is acting in good faith in this matter and, particularly, that it is prepared to help the mining industry, in co-operation with all the other stakeholders.

It even seems fairly clear that our government is already responding to the request made in today's motion, with the intention of keeping government initiatives in the mining industry in line with the present fiscal situation.

This approach was clearly expressed in the response the government gave to the fifth report of the Standing Committee on Natural Resources entitled "Lifting Canadian Mining off the Rocks", which was tabled in the House by the hon. Anne McLellan, Minister of Natural Resources, on May 8, and I quote: "While mining remains a priority of this government, budgetary conditions also require that new ways be sought to deliver quality programs and services at a lower cost. To this end, the federal approach will be to exercise a role that complements that of the provinces and provides a national co-ordination capacity, where required, so that government policies and strategies have the most favourable impact on mining in Canada".

• (1805)

Heads of the mining industry in Canada are quite aware that the federal government cannot do it all on its own and offer a miracle cure for the ills of the mining industry. However, they can count on the federal government's co-operation and total support.

Already in 1994, in its action plan entitled "Building a More Innovative Economy", the federal government had announced its intention to implement a number of measures concerning the

Private Members' Business

regulations governing the climate for investors. Improvements are being considered in the following areas: decisions regarding land use; definition of garbage and recycling; regulatory systems north of the 60th parallel; better evaluation of environmental and economic factors in the review of the impact of new regulations—

The Deputy Speaker: Unfortunately, the member's time has now expired.

[English]

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, as a former prospector and mining consultant I am especially pleased at this opportunity to comment on Motion No. 292.

Hon, members should be concerned that after adjusting for inflation, domestic mining exploration expenditures for 1992 valued at \$385 million were at the lowest levels since 1967. Despite increases in the past two years, they remain substantially below levels of the \$800 million yearly it will take to maintain required reserves.

It is painfully obvious that mineral exploration and therefore the Canadian mining industry is in serious trouble. The question of course is what do we do to correct this sorry fact.

I want to ask my hon. colleagues what they think makes prospectors like myself tramp around in the bush for months on end looking for solid indications that a chunk of northern Ontario muskeg and rock or a Windy Craggy on the mountainside in British Columbia has enough concentration of minerals that it could be developed into an economically viable mine.

Men like me go prospecting in the Canadian bush because we love it. Bad weather and tough living conditions do not stop us. Worried mothers or lonesome housewives do not stop us. Not even the low prices of the minerals we are seeking can stop us, because we know the world needs those minerals and it will only be a matter of time before prices rebound to profitable levels.

Only one thing has stopped me and other prospectors in Canada, the irrational, short sighted, muddle headed, counterproductive, feeble minded policies of the federal Government of Canada: outrageous taxes, conflicting rules, red tape so endless that it routinely takes three years to get environmental approval for a new mine in Canada, compared to six months in countries like Chile and elsewhere else in the world.

Let me spell out some details regarding what I have labelled as outrageous taxes. I want to be perfectly clear that I believe that everybody who is making more than they need to live decently should pay taxes. That includes profitable mining companies. However, Canadian businesses and industry must face a host of taxes that are not based on profit.

One glaring example is tax imposed on gasoline, an absolute necessity for mine exploration. Taxes account for half of our Canadian costs for gasoline. This government recently increased that tax by another half a cent per litre. That is a tax that must be paid regardless of whether a mining company is in full or profitable production or merely struggling to complete its first program of diamond drilling.

By contrast, Mexico, our partner in the North American free trade agreement, is far more realistic about what gas taxes can do to their economy. In Canadian cents per Canadian litre of gasoline during 1994, Canada's base price for gasoline was 26 cents, whereas Mexico's base price was 44.5 cents. Yes, that is right, Mexican gasoline, excluding tax, was nearly 20 cents a litre more than our price. The Mexican government taxes gasoline like the essential commodity it is, rather than following the wrong headed policy of the Canadian government, which zaps consumers and businesses by doubling the price by the time it reaches the gas pump.

• (1810)

The final result for 1994 was that our NAFTA partner had gasoline prices of 48.9 cents a litre versus the Canadian average of 52.2 cents a litre. That is a big difference.

The federal government for the past many years has taxed gasoline like it was champagne in order to pay for high spending federal programs that allow the federal government to meddle in every sector of our economy, including direct grants to businesses and industry, which still cannot make Canadian costs competitive. Compared to our new NAFTA partner, that is the kind of thing I mean when I say that it is the muddle headed contrary federal government policies that have stopped mining exploration in Canada.

Another example of outrageous taxation is the application of the large corporation tax to mining companies that may have only one mine they are struggling to bring into production. Still another tax I believe is wrong taxes the interest on money that mining companies must place in trust to ensure proper clean-up of the environment in the form of mine reclamation funds. When a mine starts up the principal has to raise a fortune in preproduction costs. Part of that cost is setting aside sufficient funds to ensure that the environment is returned to a safe and useable condition when the mine shuts down. Creation of the mine reclamation trust fund is being legislated by the provinces, but the federal government is requiring even single mining operations just getting started to treat the interest from the mine reclamation fund as annual income and to pay tax on it right from the first year. Instead, I believe mine reclamation funds should be treated like an RRSP.

Another way in which the present tax system is unfair to mining development lies in the treatment of shares. I am very much in favour of flow through shares, especially for non-diversified or junior mining companies, which may not have revenue against which they can use the deductions available. It is good to let deductions available at the front end flow through the investor who just buys the shares, but I see no justification for requiring that the adjusted cost base of those same flow-through shares must be regarded as zero, whereas the adjusted cost base for other shares is the actual cost of those shares.

The hon. member from the Bloc Quebecois has looked at the national mining industry, which despite these awful federal policies managed to create \$16.34 billion of total mineral production in the year of 1992, \$15 billion for 1993, and \$16.29 billion for 1994. Even though the hon. member claims he wants to get out of Canada, he is proposing that the federal government introduce a new program of mining incentives to encourage prospectors to return from countries such as Chile, Brazil, Indonesia, and wherever else Canadian prospectors have found government policies they can live with.

The last thing a prospector wants is yet another batch of federal red tape to try to figure out. What is basically wrong with government starting such an incentive program? For one thing, governments cannot predict very accurately when the international price of gold or any other mineral may suddenly climb substantially.

In 1983 the price of gold was \$350 U.S. per troy ounce, and mining exploration was relatively flat. In 1985 the Tory government introduced the \$100,000 lifetime capital gains deduction. In 1987 gold was selling for \$500 U.S. per troy ounce. Throw in the additional government incentives like the mining exploration depletion allowance, and small wonder that in 1987 over \$1.2 billion was poured into mining and mineral exploration here in Canada. It went predominantly to precious metals rather than the base metals, which are more essential to our economy.

Who can say whether the policies of flow through shares, the lifetime capital gains deduction, the increased price of gold, or the MEDA program was responsible for the influx of the exploration dollars in the mid-1980s?

Government programs are by their very nature crude tools. Communist countries learned that they cannot entrust management of their economies to some central brain trust. It is far better to make as few government rules as is consistent with ensuring sustainable resource development and generally leave the field of natural resources to provincial jurisdiction.

• (1815)

Another significant factor preventing people from investing in Canada today is our many conflicting rules, especially regarding the environment. The Reform Party believes that environmental concerns must be part of sustainable resource development right from the initial planning stages. We see absolutely no valid reason that federal and provincial regulations should not be harmonized right across Canada. Instead, the present federal Minister of the Environment has scuttled harmonization negotiations with the Council of Canadian Min-

isters of the Environment because she wants to be the star performer instead of merely a member of the chorus.

The 1993 report of the Committee on Competitiveness of the Resource Industries pointed out:

The applicant has no way of knowing at the onset of the approval process what the regulations will be, the amount of time that the approval process will take, what it will ultimately cost, or what the outcome will finally be.

I definitely agree. It is time for government to get its act together.

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, it is a pleasure to rise this evening and speak in support of Motion No. 292 which was put forward by my colleague, the hon. member for Timiskaming—French River.

The hon. member and I have much in common when it comes to sport shooting and matters pertaining to our great Canadian outdoors. We also share similar views when it comes to mining issues.

I congratulate my government colleague for submitting this motion to the House. Mining is a very important activity in northern Ontario. It is crucial to the economy there as well as in many other areas. Also, the fact that he is representing his constituents' concerns really matters. It should be the first and most important duty for us all.

As a member from southwestern Ontario, home of Canada's largest salt mine, I am pleased to speak in favour of the motion. I too recognize the importance of mining to the Canadian economy. The motion states:

That, in the opinion of this House, the government should consider implementing a new program of mining incentives which would encourage exploration and development in Canada.

That is certainly consistent with our red book. I refer to the October 15, 1993 mining policy announced by the hon. member for Sudbury, now the Minister of Health:

The mining industry is a vital part of the Canadian economy. Not only is it the lifeblood of over 150 communities, but it accounts for 330,000 jobs. A Liberal government will offer the leadership needed to ensure a strong future for Canadian mining.

One of the recommendations made in this policy is a direct connection to today's motion. Our policy proposed to undertake a comprehensive review of income tax laws with provincial and territorial governments, industry and other interested parties to ensure that the financial assurance mechanisms are complemented by federal tax policies and to provide policy support to help mining and mineral service industries expand their competitive advantage in foreign markets.

Private Members' Business

This is an important motion, especially in light of today's condition of the mining industry. It is facing a future of uncertainty. Public policy initiatives are needed to sustain the industry as a world class producer of mineral and metal products and to stimulate investment in mineral exploration and development in Canada.

I speak of an industry which accounts for 2.7 per cent of total national employment, one in which depleting reserves and mine closures outnumber mine openings, one which represents \$23.6 billion or 17 per cent of total Canadian exports, and one which contributed \$10.8 billion to the mineral trade balance. It is an industry in which the total value of mineral production was \$14.6 billion, or \$35.4 billion if fuel minerals were added. It is an industry which represents one of the highest industrial wages paid in Canada: \$847 per week in some of Canada's most isolated communities.

As a result of these challenges, we need an enhanced commitment from the federal government especially in the area of exploration stimulation which will attract sufficient levels of exploration investment to ensure that the economic growth rate and the level of Canadian mineral reserves will not continue to decline.

Our mining industry is a world leader in technology innovation and information. We must always strive to keep it that way. As members know, mineral exploration and for nearly a decade mineral reserves have been on a decline as the developing world attracts mineral investment away from Canada. They do this through aggressive marketing, joint ventures and legislative and policy changes.

• (1820)

The competitiveness of Canadian mining in the 1990s is plagued by uncertainty. There are disincentives now in the mineral investment climate that are discouraging proper investment levels which are needed to maintain a reserve base.

These factors include mineral taxation, exploration incentives, environmental assessment, land access, aboriginal land claims, mine reclamation deductions and security of mineral tenure. The mineral potential in Canada is as inviting as any other country in the world. However we cannot maintain our position as a world leader among mineral producing nations unless steps are taken to reduce the doubts.

I am sure all members from both sides of the House understand full well the implications of inadequate incentives for primary mineral exploration. Without ample exploration the mineral reserves necessary to replace what is being mined today will not be found. For many reasons, exploration levels have dropped dramatically since the mid–1980s. We all realize there is no quick fix for this problem nor do governments currently have the financial capacity to intervene in a significant way.

Along with an exploration incentive program as called for in the votable motion being debated today, there also must be an overall competitive and supportive investment climate. This will create the proper framework in which mining can thrive and this will in turn promote exploration.

We must work hard to find solutions. We must work hard to keep mining in Canada. While world demand for minerals is increasing, Canada's share of world mineral supply is declining and mining investment capital is leaving Canada for other parts of the world.

The mining industry has worked hard to reduce costs, improve its environmental and safety performance and increase productivity through technological innovation and upgrading of worker skills. Yet today the industry faces its toughest challenge of all to keep mining in Canada.

According to the Mining Association of Canada, in 1992 there were 28 closures or temporary shutdowns of mines compared with only eight openings, meaning a net loss of 5,800 jobs. From 1981 to 1991 there was a decline of nearly 40 per cent in investment levels in the sector. Between 1986 and 1991 Canada failed to attract a single new mining project with a capital cost of more than \$250 million. By contrast, Latin America had five. These facts make support of my colleague's motion so important. It centres on the encouragement of exploration. This is crucial.

We know that investing in exploration and development is the only way to ensure a future for mining in Canada but from 1991 to 1992 more than 150 companies worldwide reduced spending on Canadian projects by 30 per cent. In 1987 Canadian companies spent 81 per cent of their exploration budget in Canada. In 1992 that number went down to 61 per cent. In contrast, over \$7 billion has been committed to exploration and development in Chile, Mexico, Venezuela, Argentina and Bolivia.

It is ironic that Canada is the biggest foreign investor in mineral exploration in Chile with over 40 Canadian companies involved. The average government approval for a mining operation takes six months in Chile as opposed to three years in Canada. When Chile is admitted to the NAFTA agreement, what chilling effect will this have on Canadian mines?

Earlier in this Parliament, the Standing Committee on Natural Resources conducted extensive hearings with all the stakeholders. The result was nine key recommendations on mining incentives which my colleague from Timiskaming—French River has outlined.

Canada has the resources, skilled workforce, infrastructure and commitment to environment and technology to support a prosperous mining industry today and in the future. But without a strong co-operative effort to keep mining here, this may well be the last generation of miners in Canada. As future mining activities shift to other countries, the decline of Canadian mining would have a devastating impact on over one million Canadians living in mining communities or working in businesses related to the mining industry.

Through this motion, it shows we urgently need a national mining strategy with policies and actions that will reverse current trends. Mining is important to Canada and we must support Motion No. 292. Canada has always counted on its mining industry to be a key foundation for export driven growth.

Today mining is a \$20 billion industry in Canada. We must keep it growing and thriving. I am certainly supporting this motion and I urge all hon. members to do the same.

• (1825)

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, it is a pleasure to enter the debate on Motion No. 292 in the name of the hon. member for Timiskaming—French River who from time to time is my seatmate. I am sure his constituents in mining communities such as Kirkland Lake, Cobalt and Haileybury are very proud of his initiatives in the House in support of the mining sector.

Over time as Canadians became more involved in the service sector they have forgotten some of their roots that go back in our history over the last 200 or 300 years. The mining sector was a very important part of it.

We all consume goods and products that come out of mining. We are either consumers or work directly in mining or do both. Invariably during the day we consume some products that actually started off in the mining sector.

I will refer to some of the statistics: 4.2 per cent of our GDP is accounted for by the mining sector and 14.6 per cent of Canada's entire export trade is related to the mining sector. It directly employs 327,000 people. These are some of the positive statistics and I will now refer to some negative ones.

From 1991 to 1992, 150 companies in Canada reduced their worldwide expenditures in our mining sector by 30 per cent. There were reductions of expenditures from \$430 million to \$302 million. In 1987 Canadian companies spent 81 per cent of their exploration budgets in Canada. By 1992 that had declined to only 61 per cent. As the previous member mentioned, ironically Canada and Canadian companies are now the biggest investors in Chile. Over 40 companies are involved.

What is happening to our mining sector? Our own companies are leaving. Why is that? In one word it is taxation in spite of interjections by members of the third party. It was surprising when I heard the hon. member from the third party talk about flow through shares. I have listened to that party constantly talk a flat tax or tax changes which would eliminate flow through

shares. We can see that Reform Party members are basically speaking out of both sides of their mouths at the same time.

Taxation has created confusion. When people are investing in industry, confusion is one thing that forces capital to leave the country. Capital likes certainty and taxation and administration in Canada have created tremendous confusion. With that an outflow of capital has been created.

Mining is a very significant capital intensive industry. Within the industry each job represents \$100,000 of investment in capital. Many of the taxes the mining sector faces have nothing to do with income. Once again in spite of the intervention by the member from the third party, many of the taxes relate to provincial jurisdiction and not federal. A more mature attitude would be to realize that tax administration in the mining sector is outdated, outmoded and in dire need of change.

Let me explain some of the taxes so members will understand why the mining sector is having such difficulty. First there is a significant insidious tax, what I would call a capital tax. Many industries in Canada are subjected to it. Basically a capital tax is just that, a tax on the capital invested in a business.

Perhaps that sounds reasonable to some people, but when we take it to the next step we discover that a capital tax also involves a tax on employed capital like bank loans. For instance, the more debt one has, the more taxes one pays With a capital intensive industry like mining clearly this is a very retrogressive tax. The tax is administered by provincial jurisdictions.

I have had some discussions with my colleagues in the Bloc. The problem across the country is that there are all kinds of tax administrations in each province. It is very difficult for a multinational corporation to understand the best place to run a mine based on tax administration in an individual province.

• (1830)

Another aspect that has created great consternation and a great deal of uncertainty in the mining sector has been the whole concept of a resource allowance. Let me try to explain resource allowance in a very short period of time.

The provincial governments levy what are called royalty taxes. Royalty taxes are somewhat closer to a profit type tax because essentially they are oriented on production. There are royalty taxes in the oil and gas sector. There are royalty taxes in the mining sector, basically based on the amount of extraction that takes place.

What the federal government attempts to do is to try to make some kind of recognition that mining companies are subject to these royalty taxes. Some people might ask why not simply allow them as a tax deduction? Some people have suggested that as a way to amend the taxation of mining companies.

The problem we have, and getting back once again to the speaker from the Reform Party, is that each province calculates royalty taxes differently. There is a different administration in British Columbia, Alberta and Saskatchewan. There is a totally different one in Ontario and also in Quebec.

What the federal government attempts to do is develop a formula which will allow some kind of methodology of calculating what would be a uniform royalty tax across all mining sectors. The problem is it has become so unbelievably complicated to calculate what a resource allowance is.

We have had the spectacle of the Gulf case. That company was able to argue effectively under the tax laws for a totally different interpretation of resource allowances than did the federal government. The federal government's bottom line was a loss of over \$1 billion worth of tax revenue.

This has created further consternation within the tax administration system and it is continuing to be a problem. Mainly it is a problem because governments cannot sit down together and work things out in a reasonable and harmonious fashion.

That is not the end of the problems of the mining sector. There are all kinds of other non-profit taxes which take place within the mining sector. The hon, member has mentioned gasoline taxes because he basically likes to criticize the federal government, but we also have other forms of taxes, not the least of which is energy taxes.

The mining sector is a huge consumer of electricity. Most of these electrical utilities are administered by provincial administrations. Quite frankly, they have been mismanaged over the years. At one time Canada had a very attractive energy rate making it a cheaper place to undertake mining in North America. That competitive advantage has been lost over the last 20 years through what I consider to be different types of practices and basically mismanaging that resource. As a consequence, our mining sector faces some of the highest energy rates of any mining operation in North America.

This reminds me of a story. I was once in the jungles of Peru, long before I started this job. Somebody said: "Canada is the third largest country in the world geologically, with a small but well educated population. Why is it Canada cannot manage its resources effectively and be a world leader?"

We are seeing how people within governments, no matter what public administration is involved, federal or provincial, are basically out to kill the golden goose.

Another area that is a federal concern is payroll taxes. I do not have to tell most members that the increases in UI rates and

Adjournment Debate

Canada pension plan rates have had a tremendous impact on the mining sector because it is capital intensive and also uses a lot of labour.

(1835)

I believe the various governments sat down in November 1994 and signed an agreement, the Whitehorse mining initiative. I will read one section of that concerning the area of taxation: "to establish a tax regime that is seen to be simple, pragmatic, fair, including an overall greater reliance on profit-based taxes as opposed to non-profit-related taxes and charges". I think this is a great objective. This agreement has been signed not only by our Minister of Natural Resources but most of the provincial natural resources ministers. The problem is we have a lot of talk but we do not have much action.

I am very supportive of the motion by the member for Timiskaming—French River who has brought this to our attention. I could go on and on about how tax administration should be different. We must move forward quickly to address the concerns of the mining sector.

[Translation]

The Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired.

[English]

The order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[English]

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

INDIAN AFFAIRS

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, on September 27, days after the standoffs concluded at Gustafsen Lake and Ipperwash, Ontario, I rose in the House to question the minister of Indian affairs about what should happen next. Obviously the issues raised in grievance by those occupying land and the concerns expressed by many who had not been occupying land had not been addressed and the frustration of aboriginal people concerning land was still outstanding.

I continue to believe that the federal government's approach to land claims and self-government, an approach that is slow, confusing and filled with uncertainties, is the first area of concern that needs to be dealt with if the frustrations and anxieties are ever to be reduced. Indian leaders throughout Canada and through the Assembly of First Nations have said for many years that the anger among the people of their communities had to be addressed quickly or it would boil over.

During the second week of September when I called on the minister to get involved in the specifics of Ipperwash and Gustafsen Lake I said the only way to deal with the slow and uncertain nature of how land claim disputes are currently settled was with the understanding and intervention of the federal minister of Indian affairs. Only he has the authority to make the necessary changes. Only he has the jurisdiction to address the issues in a way that will adequately address the problems outlined by so many. Obviously those closest to the issue are the ones who should be consulted first, and those who work in the field must be consulted as well.

It comes as no surprise then to learn that the latest annual report of the Indian claims commission published this summer calls for the development and implementation of a new land claims policy and process. Here is the group caught in the middle between the bands and the government, receiving the applications, hearing and judging the evidence, and presenting the recommendations. Here is a group that does the work saying that it should be replaced, saying the workload is increasing dramatically and the ability of the existing commission to respond is limited, saying it is wrong for the government to have a process in place that allows the federal government to be a judge in claims against itself.

The commission stated: "Everything we have learned as a commission to date indicates that it is imperative to commence the process of reform immediately. It is imperative that an independent claims body be established to perform at least the initial assessment of the validity of First Nations land claims in Canada".

Upon reading the commission's report the editors of the Montreal *Gazette* had this to say: "It is important that aboriginal communities establish a solid land base. From it, economic development and self–government can follow. In its red book of campaign promises the Liberal Party said the current process is simply not working and promised to set up an independent claims commission. It should do so sooner rather than later".

That was my sentiment when I first asked the minister if it was his intention to establish a new process in policy.

That was my intention when I said I did not believe it would be in Canada's best interest to have First Nation's people from all across the country who may have legitimate land claims occupying land and leaving the resolution of those disputes to the local police. Land issues are not police matters. They are matters of critical concern to all Canadians and only the minister can deal with them. Therefore I was disappointed when the minister said he had to consult further. I hope he has now had the time to talk to the chiefs.

Will the government take the first step to relieve the anxieties over the land claims process and establish the new, independent commission called for by the Indian Claims Commission in its 1994–95 annual report?

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I am pleased to respond to the question raised by the hon. member for The Battlefords—Meadow Lake on September 27 regarding the 1994–95 report of the Indian Claims Commission and its first recommendation which called for the establishment of a new, independent land claims policy and process.

The work the Indian Claims Commission is currently doing in the area of claims is commendable. The minister has the highest respect for this effort.

The Liberal Party of Canada's election platform states:

A Liberal government will implement major changes to the current approach. A Liberal government will be prepared to create, in co-operation with aboriginal peoples, an independent claims commission to speed up and facilitate the resolution of all claims. The commission would not preclude direct negotiations.

Let me assure the House that the government is committed to building new partnerships with aboriginal peoples based on trust and mutual respect. The resolution of land claims is an important part of this initiative.

Adjournment Debate

The federal government is committed to increasing the rate of land claim settlements. We are seeking innovative ways to resolve the impediments that slow this process. There has been, however, significant progress in resolving claims, including 44 specific claim settlements as well as five comprehensive claim settlements since the government took office.

The minister has invited substantive commentary from First Nations and First Nation organizations on concrete proposals for change and is awaiting further guidance from aboriginal people and others. The government in co-operation with First Nations needs to think through how the claims policies could be overhauled within the climate of restraint that affects us all. The recent report of Justice Hamilton will assist in this regard.

It is important all Canadians understand and respect this process as it benefits all Canadians.

[Translation]

The Deputy Speaker: The motion to adjourn the House is deemed to have been adopted. The House stands adjourned until 10 a.m. tomorrow.

(The House adjourned at 6.42 p.m.)

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